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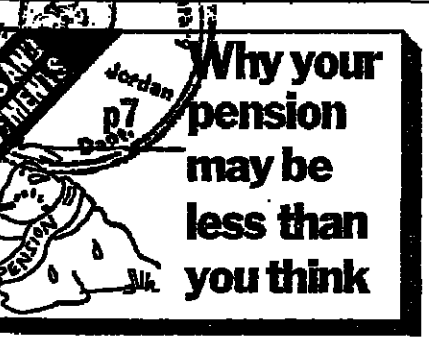
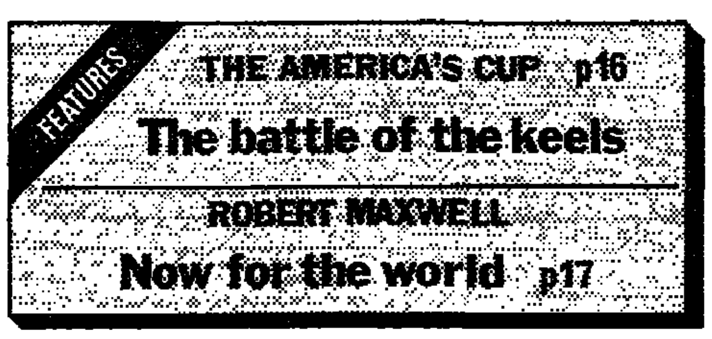
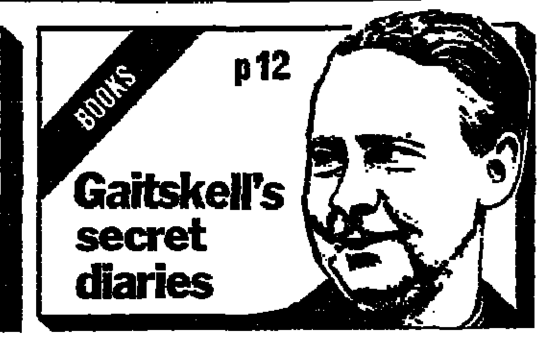






NEWS SUMMARY

GENERAL

Mugabe defends officers' detention

Zimbabwe's Prime Minister Robert Mugabe defended his government's decision to continue to detain four white air force officers acquitted of sabotage.

Speaking in Dublin on the first stop of a three-nation tour, he said any of the officers which the Government believed had been involved with sabotage would not be released for some time.

Zimbabwe earlier decided to deport two officers acquitted of involvement in the attack at Thornhill Air Base. Back Page

Missile re-think

The Soviet Union may be considering a change of stance over including British and French nuclear arsenals in negotiations on medium-range missiles, West German Foreign Minister Hans-Dietrich Genscher said. Back Page

Support for force

Britain sent six RAF Buccaneer strike aircraft to Cyprus to provide emergency support for the British contingent of the multinational force in Lebanon. Renewed shelling, Page 2

Chad warning

Chad said a strong column of Libyan forces was moving south towards government positions at Koro Toro, 375 milyes north of the capital.

Comeback plan

The SDP's Shirley Williams and Bill Rodgers who both lost their seats in the General Election, are considering standing in the European elections next June. Back Page

Headmaster quits

Dr Lyn Blackshaw, headmaster of the troubled Dartington Hall public school, resigned after a national newspaper published nude pictures of him and his wife taken in the 1970s for a pornographic magazine.

Reform approved

South Africa's parliament approved a new consitution which would give limited political power to Indians and people of mixed race. Page 2

Ethiopia amnesty

Ethiopia says it has freed 1,163 prisoners, including 117 held for political reasons, to mark the ninth anniversary of Haile Selassie's overthrow.

Kurds captured

Iran has captured more than 140 Kurdish rebels and "liberated" over 30 villages in the country's north-west, state media said.

Peking pop probe

A Peking factory is being investigated for recording thousands of "unhealthy" western pop tapes for the black market and undermining the morals of the young.

Briefly . . .

Denmark: Train crash near Copenhagen killed three.

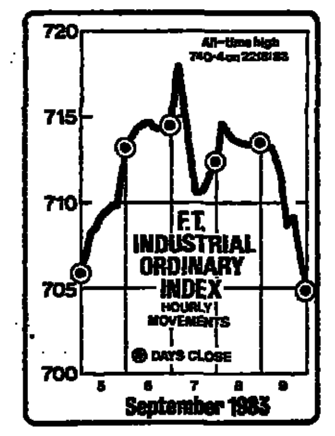
Heathrow: Customs seized a £700,000 haul of heroin.

Hong Kong: Typhoon Ellen killed at least six people.

BUSINESS

Equities off 8.7; gilts firm

● **EQUITIES** opened firmly but leading shares floundered later. The FT Industrial Ordinary index closed 8.7 off at 704.9 but gave up only 0.9 on the week. Page 24



● **GILTS** recovered after early losses to close fractionally higher. Page 24

● **WALL STREET** was down 2.03 at 1,244.11 near the close. Page 20

● **STERLING** rose 10 points to \$1.493 but fell to DM 3.995 (DM 3.9975), FFr 11.9975 (FFr 12.02), SwFr 3.2425 (SwFr 3.245) and Y365.5 (Y365). Its trade-weighted index was 84.7 (84.8). Page 21

● **DOLLAR** fell to DM 2.674 (DM 2.6775), FFr 8.04 (FFr 8.0575) and SwFr 2.1705 (SwFr 2.173) but rose to Y244.6 (Y244.55). Its trade-weighted index was 128.6 (129). Page 21

● **GOLD** rose \$0.25 to \$414.625 in London. In New York the Comex September settlement was \$413.5 (\$414.9). Page 21

● **GOVERNMENT** borrowing is still ahead of target: the central government borrowing requirement was £1.303bn in August and £7.689bn in the five months from April to August. Back Page

● **BRITAIN'S** grain harvest this year is likely to be 21.3m tonnes — much larger than expected and close to last year's record. Page 3

● **SPAIN** is offering Pta 120bn (£530m) in soft loans for the repair of flood damage in the Basque country. Page 2

● **DUTCH** insurance groups Ennia and Ago agreed merger terms. The new insurance company will be the second largest in the Netherlands. Page 23

● **PEUGEOT**, French privately-owned car maker, confirmed plans to make 7,371 redundant. Page 2

● **MATTEL**, U.S. toy maker, incurred a first-half net loss of \$179.4m (£120m) against a net profit of \$31.2m. The deficit was caused by a slump in its electronic games division. Page 23

● **BRITISH STEEL** plans to invest £25m in the construction of a dual purpose steel coatings line at its Shotton works in North Wales. Page 3

● **EUROPEAN** Ferries, shipping, property and banking group, lifted first-half pre-tax profits from £5m to £8.9m. Page 18; Lex, Back Page

● **CHARTERHOUSE** Petroleum, oil and gas exploration and production group, reported a fall in first-half pre-tax profits from £5.94m to £4.96m. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 10½pc 1999	£99¾	+ ¼
Amber Day	12½	+ 2½
Assc Brit Ports	190	+ 6
Camellia Invs	610	+ 20
Dyson (J. and J.) A	69	+ 8
Harris Queensway	284	+ 8
Land Securities	314	+ 6
Portals	585	+ 20
Racal Electronics	234	+ 4
Smiths Inds	420	+ 10
Stewart Wrightson	241	+ 6
Sunlight Service	240	+ 15
Wolverhampton Dly	284	+ 12
Atlantic Res	400	+ 30
Eglinton Oil & Gas	310	+ 25
Impala Plat	960	+ 20
Winkelhaak	£34¾	+ ¾

FALLS		
Allied Irish Banks	138	− 7
Cookson Group	216	− 10
Eagle Star	446	− 12
General Accident	422	− 13
GEC	200	− 11
ICI	528	− 6
Peters Stores	86	− 14
Prudential	442	− 22
Royal Insurance	492	− 13
Tarmac	400	− 10
Tesco	160	− 5
Thorn EMI	592	− 30
BP	434	− 6
Jones Mining	63	− 8
Poseidon	360	− 23

Abbey quits building society rates cartel

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

THE DOOR was opened *yesterday to far greater competition* among building societies as a result of a decision by Abbey National, the UK's second largest society, to break out of the interest rate fixing system operated by the Building Societies Association (BSA).

The Abbey's move prompted an announcement of a complete review of current interest rate agreements between societies by the association.

The association's council, the chief executives of 34 societies including the 10 largest, meets each month to review rates. Traditionally, the association's 163 members have undertaken to adhere to the council's recommendations. Abbey is *abandoning the undertaking* whereby societies agree to be bound by recommendations on rate changes from the council.

A number of smaller societies have recently strayed from the recommended investment rates with ordinary share accounts paying more than the associations recommended 7¼ per cent but no major society has so far broken ranks.

Now, Abbey, with assets of £12.8bn, has given three months' notice that it is to withdraw from its undertakings *to be bound by the councils* mortgage and investment rate recommendations.

Its decision, conveyed to the association on Thursday but unpublicised, clearly embarrassed the BSA whose own announcement was rushed out yesterday.

Mr Richard Weir, secretary-general of the association, said last night its review would be finished within three months. It would cover two related agreements—the recommended rates system and the agreement between societies to notify each other of changes in rates 28 days before they take effect.

Mr Weir said the review had been under way for the past two weeks. He gave a warning *that if the societies' cartel on* rates were to break down it would "almost certainly lead to volatility in the market.

"Nobody will be able to plan their budget. Mortgage rates could change every few weeks. We believe that unbridled competition among building societies could lead to a substantial reduction in the number of societies through mergers. This could lead to a reduction of choice."

In all, there are 211 building societies in Britain of which 48 *are not members of the association*. Total deposits in building societies at the end of June totalled £71.4bn and total assets were £77.8bn.

Abbey does not intend to surrender its seat on the association council and will still participate in the monthly sessions.

Mr John Ellis, the company secretary, said last night that the rate-fixing system had "outlived its usefulness." The proliferation of numerous new types of account, not covered by association recommendations, meant that only 50 per cent of the societies' deposits were now in ordinary share accounts. A year ago some 74 per cent of deposits were in ordinary share accounts.

"We feel the system is not working properly. We are leaving the undertaking so we can take our own decisions," Mr Ellis said.

He predicted that "if anything, the next movement in the mortgage rate is likely to be down."

The Abbey decision and BSA review comes only a few months after the four major clearing

Continued on Back Page

Right bid to alter policies of TUC

By John Lloyd, Industrial Editor

RIGHT-WINGERS on the TUC General Council yesterday gave notice that they will push hard to change radically the congress's policies and image.

They began by forcing an unprecedented vote for the succession to TUC presidency of Mr Ray Buckton, the general secretary of the train drivers' union Aslef, and a leading left-winger.

Mr Buckton secured the post on a vote of 26-17 because centrist union leaders refused to make common cause with the Right.

The move gave the first meeting the new General Council a whiff of bitter struggles to come.

The group of senior officials which decides the composition of the TUC's committees for the coming year meets on September 26 and the current chairmen of the major committees are likely to be under attack.

These include men of the Left such as Mr Ken Gill, general secretary of the white collar engineering union AUEW-Tass and Mr Buckton, of the social insurance and industrial welfare committee.

Other possible targets are Mr Moss Evans general secretary of the Transport and General Workers Union, of the international committee. Mr Clive Jenkins general secretary of the white collar union ASTMS, of the education committee and Mr Bill Keys general secretary of the print union Sogat 82, of the crucial employment policy and organisation committee.

Right-wingers have noted that of the main committees only the economic committee under Mr David Basnett, general secretary of the General Municipal and Boilermakers Union is in Centre-Right hands.

The presidential succession was in some doubt this year because Mr Buckton's seniority was exactly matched by that of Mr Jack Eccles of the GMBU. However, most council members had assumed that Mr Buckton would take precedence

TUC reports, Page 4; Man in the News, Back Page

Russia tells how jet was downed by two missiles

BY OUR FOREIGN STAFF

IN THE first such admission from the Kremlin, the Soviet Chief of Staff yesterday described how a Soviet fighter last week shot down the South Korean airliner with two heat-seeking missiles.

Marshal Nikolai Ogarkov, flanked by other top Soviet officials including Mr Leonid Zamyatin, the Kremlin's chief spokesman, said the shooting down of the airliner with 269 people on board was the result of provocation by the U.S.

Marshal Ogarkov, speaking at a news conference in Moscow, said the action could be repeated and rejected suggestions that Russia should pay compensation.

In other developments yesterday:

● Mr George Shultz, the U.S. Secretary of State, delivered a strong attack against what he called the Soviet Union's "preposterous explanation." He spoke in Madrid, where allies in the North Atlantic Treaty Organisation sought agreement on measures against the Soviet action.

● Mr Andrei Gromyko, the Soviet Foreign Minister, arrived in Paris for what would probably be some tough talking with the French Government.

● Japan banned Aeroflot charter flights "for the time being." The first body—that of a child aged between 6 and eleven—and some debris believed to have come from the destroyed Boeing 747 were found near the northern Japanese island of Hokkaido.

During the two-hour Press conference in Moscow it became clear that the Kremlin was unrepentant over the incident which has already soured East-West relations.

Using a huge map, Marshal Ogarkov repeated allegations that the airliner was on a spying mission and plotted its alleged course over the militarily sensitive Kamchatka peninsula and Sakhalin island where it was shot down on September 1 "with no survivors."

Marshal Ogarkov, who is also a Deputy Defence Minister, insisted that the decision to shoot down the aircraft was taken by the local military commander acting on strict standing orders, adding: "The high level of command was of course informed at the appropriate time."

Marshal Ogarkov said the jet was first picked up by Soviet radar at 4.51 am local time, 500 miles northeast of Petropavlovsk-Kamchatski, a major base on Kamchatka. It was already 300 miles off its course from Anchorage in Alaska to Seoul, the South Korean capital.

He said the plane entered Soviet radar range at a point where a U.S. RC-135 reconnaissance plane was already patrolling.

"It was a somewhat strange patrol . . . the planes aproached each other until their blips on the screen merged and flew together for about 10 minutes," he added.

The RC-135 headed home to Alaska while the airliner flew on to Petropavlovsk. Marshal Ogarkov said: "Naturally the conclusion was made at Soviet anti-aircraft defence command posts: an intelligence plane is approaching Soviet air space."

At 5.30 am the plane flew over Kamchatka, location of "a major base of the Soviet strategic nuclear forces," while failing to respond to all attempts to communicate with it, Marshall Ogarkov said.

After crossing the Sea of Okhotsk the plane, still unidentified, ignored warning shots and flew over military bases on Sakhalin. Sharply changing bearing and altitude in an obvious attempt to evade ground missile installations, he said.

Six MiG 23 and Sukhoi 15 fighters made a last attempt to signal to the plane as it flew on towards Valdivostok. At 6.20 am, still before dawn and in cloudy conditions, one of the fighters fired four bursts of tracer shells, totalling 120 rounds, and still the plane flew on, he said.

"At 6.24 an interceptor plane was given the order to stop the flight of the intruder with missiles. The order was fulfilled," Marshal Ogarkov said.

Soviet 'change' on missiles, Back Page

Alliance agrees formula for Euro-seats division

BY KEVIN BROWN

LEADERS OF the SDP/Liberal Alliance yesterday took the heat out of the debate on possible marger of their parties by issuing a cleverly-drafted compromise on selecting candidates for next year's elections to the European Assembly.

Dr David Owen, SDP leader, emerged from a tough Westminster negotiating session with Mr Alan Beith, Liberal Chief Whip, with an agreement which has all the appearance of promoting closer co-operation without looking like a stalking-horse for a merger.

Earlier Dr Owen had ruled out a merger between the two parties, even with himself as leader, but had encouraged grassroots co-operation. In the September issue of the New Democrat he indicated that he viewed joint selection as the first step on the road to a merger and suggested that a constitutional debate now would damage both parties.

Yesterday's agreement between Dr Owen and Mr Beith surprised many Alliance activists, who had expected a decision to be put off until after the Liberal and SDP conferences in the next two weeks. But Dr Owen wanted the potentially explosive selection issue out of the way before his opening conference speech in Salford on Sunday.

Dr Owen won agreement on rough parity in the division of the most promising seats, conceding the Liberal demand for regional rather than national negotiations. The division of seats will be on the basis of 11 regional lists after consultations with individual constituencies, on which the Liberals insisted.

The agreement says both parties should participate as fully as possible in selecting candidates through joint shortlisting with joint selection in Liberal-led seats where both parties want it.

Dr Owen continues to maintain that the SDP constitution, which requires that SDP candidates must be selected by ballots of SDP members only, rules out joint selection in most SDP seats.

In tacit recognition that the party leaderships cannot prevent virtual local mergers where both sides are demanding it, however, the agreement draws attention to the loophole in the SDP constitution which allows joint selection in exceptional circumstances.

In practice, the agreement will ensure that candidates in most Euro-constituencies will have to be acceptable to both parties — a substantial advance on the position at the general election and one which many Liberals will welcome.

Williams and Rodgers consider comeback, Back Page

Bass buys Thorn EMI bingo

BY CHARLES BATCHELOR

BASS, BRITAIN'S largest brewer, has increased its share of the troubled bingo industry with the purchase for £18.2m cash of the chain of 80 clubs run by Thorn EMI.

Bass Leisure, which already operates 22 clubs under the Coral name and 24 inside its Pontin's holiday camps said it was confident that existing restrictions on prize money, opening hours and advertising would be eased to allow the business to expand. Operators have had a "positive response" to their pressure on the Government for relaxation.

The purchase gives Bass nearly 9 per cent of the shrinking British bingo business. Gaming Board figures show the number of clubs fell again last year from 1,510 to 1,451.

The total amount staked fell for the first time last year from £491m to £469m. The number of regular bingo players also decreased from 5.7m in 1980 to 5.4m.

Bingo clubs, which are allowed to advertise themselves only as social clubs, are restricted to a maximum prize of £2,500 in games linked between several halls. This compares with similar prize competitions in the press worth up to £100,000.

Bass Leisure is paying £13.5m for the shares of Thorn EMI Social Centres and £4.7m for the properties involved.

Mr Peter Sherlock, managing director of Bass Leisure, said: "The two operations are an almost perfect fit. Only three clubs overlap. This deal gives us full national coverage."

The Thorn EMI chain, which also includes two snooker clubs, has an annual turnover of £20m compared with the £11m of Bass's existing clubs.

The new clubs will provide outlets for Bass beers and its amusement machines as well as opportunities to expand its snooker hall business. It already has 2,000 snooker tables, mostle in pubs.

Thorn EMI said: "This sale marks the completion of a policy we adopted some years ago of withdrawing from leisure activities. It is not part of our mainline business which is home entertainment and high technology."

EMI acquired most of its bingo clubs in 1975 when it bought Star Associated Holdings. Following its merger with Thorn the group has disposed of a marina in Chichester and the Blackpool tower and leisure complex.

Thorn EMI retains 139 cinemas with 340 separate screens.

● Thorn EMI was forced to put the adoption of its 1982-83 report and accounts to a poll at a lively two-hour annual meeting yesterday. Mr Donovan Winter, a film producer, who said a film he had made for the company had never been shown, succeeded in his poll demand but the accounts were subsequently adopted by 11.96m votes to 1,374.

Chairman's statement, Page 18
Lex, Back Page

£ in New York

	Sept. 8	Previous
Spot	\$1.4920-4930	\$1.4920-4930
1 month	0.01-0.03pm	0.04-0.06pm
3 months	0.11-0.15pm	0.17-0.20pm
12 months	0.60-0.70pm	0.73-0.82pm

CONTENTS

For latest Share Index phone 01-246 8026

U.S. troops in Beirut again under fire

By Patrick Cockburn in Beirut

THE multinational peacekeeping force in Lebanon came under further heavy pressure yesterday with U.S. marine positions being shelled from the mountains surrounding Beirut.

Meanwhile fears grew for the safety of up to 40,000 Christian refugees from the Shouf range trapped in the town of Deir El Qamar by advancing Druze militiamen.

The shelling, which on Thursday provoked U.S. naval forces off the Lebanese coast to return the fire, resumed yesterday afternoon when more than a dozen rounds bombarded the area surrounding the Marines' Beirut airport headquarters.

The 1,200 marines were placed on "condition one" maximum alert but did not immediately return fire.

Earlier in the day, French jet fighters from the carrier Foch photographed militia positions following further overnight shelling that wounded a Legionnaire. France has warned that it will return fire if the shelling of its peacekeeping forces continued.

The hillside town of Deir El Qamar is now cut off and under fire from Druze artillery. Military experts in Beirut say that the town cannot hold out if the Druze and their allies decide to attack but that it was possible they might exercise restraint because the town is the home and political base of former Lebanese President Camille Chamoun, whom they may not want to alienate.

In the week since the Israelis started to withdraw from the rugged mountains and ravines north of the Awali river, the Druze have been generally successful in their attacks on the Christian militia forces.

These, believed to number some 2,000, entered the region on the heels of Israeli army last year touching off a local civil war.

Having over-extended themselves and distributed their troops in small pockets in the mountains, the Christian militia leadership now appears disconsolate at the events of the last week.

It is possible that they may shell mainly Moslem West Beirut by way of retribution, using their heavy artillery which includes four batteries of 155 mm guns.

Diplomats in Beirut regard it as significant that the Druze were able to take the town of Bhamdoun, thus making direct contact with the Syrian army to the east, without provoking a reaction from Israel.

The Lebanese army is holding together and is well dug in at Suq Al Gharb, a key strategic point commanding Beirut, but is under equipped, short of men and unlikely to advance.

Some 60 M48 tanks bought from the U.S. two months ago have still not been used because the army lacks trained crews.

The Government of President Amin Gemayel continues to hope, however, for a greater role from the multinational force which has continued to come under occasional shellfire.

A French bomber overflew Lebanon yestreday after shells had landed close to the French military headquarters in Beirut, wounding one officer.

PRESSURE ON MOSCOW GROWS OVER JET DISASTER

Nato governments agree flights ban

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AT LEAST 14 governments in Nato, including the U.S. and the UK, have agreed to impose a multilateral ban on all air services to and from the Soviet Union for two weeks from September 15, the West German Government said yesterday.

The decision, in response to the shooting-down of the Korean Air Lines Jumbo jet last week by the Soviet Union, was taken at the Madrid meeting of Foreign Ministers on Thursday. Governments were expected to endorse the decision at a Nato Council meeting in Brussels last night.

The ban will cover flights by Nato countries' airlines to the Soviet Union, and flights to Western Europe by Aeroflot, the Soviet airline. France and Greece have declined to join the action, the Bonn spokesman said.

Nato officials stressed that the sanctions were being imposed by individual governments and were not a Nato retaliation.

The distinction was being made to avoid any suggestion that the affair was being blown up into an East/West confrontation which might damage prospects for the nuclear arms control talks in Geneva.

The ban contrasts with recommendation by the International Federation of Air Line Pilots' Associations in London earlier this week for a 60-day ban on Western flights to the Soviet Union, and the Canadian Government's own ban on Aeroflot services to Canada of 60 days.

The pilots' ban began to bite yesterday, when services by British Airways to Moscow were suspended for 60 days because of the refusal by members of the British Air Line Pilots' Association to fly to Moscow.

The UK pilots' action is the first in Europe to take effect. Scandinavian pilots are to introduce a 60-day ban from Monday. West German pilots want to support the boycott, but need contractual clearance from Lufthansa, the flag airline, which in turn has sought government guidance.

Air France pilots will support the boycott from Tuesday, unless, meanwhile, Moscow guarantees no repetition of the Jumbo incident. Italian pilots have voted to support the ban from next Monday. Spanish pilots want to support it, but have not yet fixed a date.

It seems that, by the middle of next week, most flights between Western European cities and the Soviet Union will be halted, either by pilots' actions, or the Nato ban.

The pilots' ban on Western flights to Russia will extend for far longer than the suspension of Aeroflot flights to Western Europe.

The object of the Nato ban, which is quite independent of the pilot's own action, is to underline the importance attached by the West to next Thursday's emergency meeting of the International Civil Aviation Organisation in Montreal, at which the Korean Air Lines incident will be discussed.

The aim of the meeting will be to outlaw military action against civil aircraft in peace time.

Singapore says Soviet airliners overflew airbase

BY CHRIS SHERWELL IN SINGAPORE

SOVIET civilian aircraft belonging to the state airline Aeroflot deliberately departed from designated flight paths over Singapore on four occasions in 1980, apparently to overfly a key military airbase, government officials confirmed yesterday.

The incidents, first publicised in an unsourced report in yesterday's pro-government Straits Times, are seen here as standing in stark contrast with last week's Soviet action in shooting down the South Korean airliner.

Aeroflot's four violations, over a period of three months in the first half of 1980, were taken up officially by the Singapore Government in a strongly worded protest to the Soviet authorities.

Similar violations have not occurred since, the officials said. Singapore is believed to have told Moscow that future unauthorised departures from set flight paths would be dealt with severely.

Yesterday's report, thought to have been officially inspired in response to the Korean airliner tragedy, said that the normal air route into Singapore for commercial flights approaching from the north was east of an air base, where Singapore's air force fighter squadrons are based.

On three of four occasions in question, the Aeroflot pilots said large clouds had forced them to change course. Singapore's air traffic control had received no similiar complaints, and a check with the meteorological services had shown the claims to be untrue.

S. Africa Parliament backs constitution plan

BY BERNARD SIMON IN JOHANNESBURG

ON OVERWHELMING majority of South Africa's all-white Parliament yesterday approved the Government's proposals for a new constitution.

With Parliament now prorogued until next January, when it will meet for the last time in its present form, political parties will turn their energies to the campaign for votes in the referendum on the constitution.

The poll, restricted to the white electorate, will be held on November 2.

The Republic of South Africa Constitution Bill was passed by 119 votes to 35. The Government was supported by the new Republic Party, a small group representing mainly conservative English-speakers in Natal.

The more liberal Progressive Federal Party (PFP) and the ultra-right Conservative Party strongly opposed the measure.

Debate on the constitution was cut short after the Government accused the Conservative Party of filibustering tactics to hold up passage of the Bill. Two-thirds of the clauses were not discussed in Parliament.

The constitution provides for limited participation by Coloureds and Asians in the central government, mainly through their own chambers in a new tricameral Parliament.

The PFP based its opposition on the total exclusion of blacks from the new system, while the Conservative Party contends it is a first step towards total integration.

Both opposition parties strongly criticised the sweeping powers to be given to a new executive State President, and maintained that the constitution is too cumbersome and complex to be workable in practice.

Mr P. W. Botha, the Prime Minister, is expected to have little difficulty in gaining a majority in the referendum. Although the constitution has alienated ultra-conservative Afrikaners, it is likely to be supported by many English-speakers who argue that, despite its shortcomings, it is a step in the right direction.

Several English-language newspapers which normally oppose Government policies have urged readers to vote "Yes." Furthermore, the state-owned radio and television service has thrown its weight behind Mr Botha.

The Government has promised to test the opinion of Coloureds and Indians whose support is far less sure than that of whites. But agreement has not yet been reached on how this will be done.

Blacks have rejected the new constitution outright, and have formed several nationwide organisations to protest against it.

Mr Chris Heunis, Minister of Constitutional Development, told Parliament yesterday that if the constitution is rejected in the referendum, the Government "will not go back to the drawing board.... We have shut off the possibility of change. We will have told each other that our options are now closed."

Spain to lend $800m for flood damage repairs

BY DAVID WHITE IN MADRID

SOFT LOANS worth $800m are to be made available by the Spanish Government to private sector interests in the Basque country which were damaged by violent floods in late August.

The credit line of Pta 120bn, agreed between the central government and Basque regional government, is mainly to help rebuild industries in the Bilbao region. Of the total, Pta 90bn is earmarked for industry, Pta 25bn for commerce, Pta 1.5bn for homes and Pta 3.5bn to the services, fishing and farm sectors.

The funds, which are to be lent for six years with a two-year grace period and 7 per cent interest, are based on provisional estimates of losses after taking insurance payments and other kinds of aid into account.

The flood damage, which also affected neighbouring provinces, was initially estimated to total about $3.7bn, not including private property.

Chile's fifth day of protest claims four more lives

BY MARY HELEN SPOONER IN SANTIAGO

AT LEAST four people were killed, dozens injured and over a thousand detained during Chile's fifth monthly day of protest against General Augusto Pinochet's military regime.

The regime initially appeared to be taking a restrained approach to the protest, which occurred just three days before the tenth anniversary of the military coup which overthrew socialist President Salvador Allende.

In contrast to the last two protests, Chilean authorities did not impose an evening curfew. Last month at least 24 people were shot dead when Gen Pinochet mobilised 18,000 troops to keep order in the capital. On Thursday only Chile's paramilitary police force the carabineros were on patrol.

Thousands of Chileans expressed their discontent with the government by beating saucepans from open windows and doorways.

Supporters of Gen Pinochet's regime held their own counter-protests.

Chile's Christian Democratic dominated opposition attempted to hold an unauthorised rally in Santiago. But carabineros equipped with clubs, teargas and water cannon roughly dispersed the crowd.

The president of Chile's 23,000-strong Copper Workers' Confederation, Sr Rodolfo Seguel, unsuccessfully pleaded with police to allow just 20 minutes of speeches by opposition leaders.

As the protests took place, Chilean officials began the first of a series of celebrations marking the regime's 10th anniversary.

Managua puts air defences on alert after bombing

MANAGUA — Left-wing Nicaragua has put its air defences on maximum alert after anti-government rebels sent two aircraft to bomb Managua for the first time since the country's civil war ended in 1979.

"Today more than ever we must be on alert against counter-revolutionary attacks, Sr Humberto Ortega, Defence Minister, said.

He added that anti-aircraft units throughout the country and air force headquarters were ready to go into action.

A rebel twin-engine propeller plane bombed Managua's air force base on Thursday before it was hit by anti-aircraft fire

At the same time, a second insurgent plane attacked the residential district of La Fontana and dropped a bomb near the home of Sr Miguel d'Escoto, the Foreign Minister.

The government said several people were wounded in the raid on the airbase but no deaths were reported apart from the two pilots of the assault plane.

Reuter

Disputes delay Aquino inquiry

BY EMILA TAGAZA IN MANILA

THE FIVE-MAN commission created by President Ferdinand Marcos to investigate the assassination on August 21, of opposition leader Benigno Aquino, has encountered a major obstacle in a dispute on whether the chairman was properly appointed.

Sr Enrique Fernando, chief justice of the supreme court and commission head, offered to stand down temporarily. He will take no part in the Commission's work until after the Supreme Court has resolved three cases filed against the fact-finding body.

Three groups of lawyers are questioning the propriety of Sr Fernando's chairmanship. As the Commission was created by the executive branch of the Government and Sr Fernando was a member of the judiciary, the lawyers claim this constituted a breach of the principle of the separation of powers in government.

The Supreme Court, now presided over by another justice, has ordered the Commission to comment on the three cases within ten days.

From the time that the Commission was created two weeks ago, its work has been bogged down by major problems, including the strong reactions against Sr Fernando's appointment, the unwillingness of vital witnesses to testify because of doubts over the Commission's independence, and threats of boycott by various lawyers.

The delays have further embarrassed President Marco's Government, which has been strongly criticised for the lack of security at the Manila airport during Aquino's arrival, despite reports of plots against the opposition leader. Many Filipinos still doubt if security forces had seriously intended to protect Aquino's life.

Some 300 students staged a demonstration in front of Sr Fernando's house on Friday, asking him to resign his post as commission chairman.

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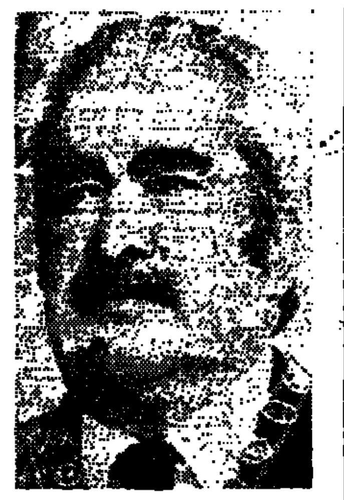


President Herrera Campins

Venezuela challenges the IMF 'Goliath'

By William Chislett in Caracas

VENEZUELA'S President Luis Herrera Campins has warned the International Monetary Fund and international banks that if they do not revise their tough policies towards Latin America's $300bn debt crisis they may cause a rebellion among debtor nations.

His fiery speech came as Latin American Finance Ministers met yesterday for the last day of the special conference on foreign debt of the Organisation of American States.

His speech injected a note of controversy into a remarkably calm meeting at which the U.S. has managed to dilute all the proposals, including a call for an immediate increase in IMF funding, with hardly a murmur of protest from Latin American countries.

The President criticised the IMF for failing to adapt itself to new circumstances caused by high international interest rates and worsening trade conditions.

He said the IMF could no longer be a "policeman for the international banks" and that it and the banks had to help debtor nations "repay their debts on terms and conditions which, instead of impoverishing the debtor, help it to recuperate."

He likened the situation to the struggle between David and Goliath and suggested that if the IMF and the banks were not more flexible they might meet the same fate as Goliath.

Sr Herrara Campins's remarks were partly aimed at making election capital out of his Government's dispute with its creditor banks over re-sceduling $18bn debts.

But the speech also voiced the private sentiments of many delegates who are dissatisfied with the U.S.'s tough position over not discussing policy issues.

Textile plant move

The Belgian Government has asked the European Commission to reconsider its refusal to allow a FFr 750m (£61m) state aid plan for the Fabelta tufted carpet and synthetic fibre plant near Ghent, a government spokesman said, Reuter reports from Brussels.

The commission last month rejected the aid plan as likely to worsen community overcapacity in synthetic fibres, but Fabelta had discontinued acrylic fibre production, and accounted for less than 1 per cent of Community nylon output, the spokesman added.

Punjab clash

At least 63 people, some of them police, have been injured in anti-government demonstrations involving Communist supporters in the Punjab, the Press Trust of India said, Reuter reports from New Delhi. Police in the state capital of Chandigarh had used batons to disperse the demonstrators, who threw bricks and stones.

Seal import ban likely

A ban on imports of seal pup skins to the European Community is almost certain to go ahead next month after a breakdown in last-minute talks with exporters, EEC officials said in Brussels yesterday, reports Reuter. The ban on imports from Canada and Norway is likely to sour talks later this month at which Canada plans to renew a fishing accord with the Community.

Peugeot to go ahead with plans for 7,371 redundancies

BY DAVID HOUSEGO IN PARIS

THE PEUGEOT group, France's privately-owned automobile company, confirmed yesterday that it was going ahead with plans first announced in July to lay off 7,371 employees.

The redundancies are the largest ever announced by a French manufacturer and reflect Peugeot's determination to carry out restructuring that will enable it to return to profit.

The decision was conveyed to works council meetings yesterday of Automobile Peugeot and of the group's subsidiary Talbot. Involved in the plan are the loss of 4,140 jobs at Talbot's plant at Poissy outside Paris which employs 17,000 people. Of these, 2,861 are "dismissals for economic reasons," with the remaining workers leaving on pre-retirement schemes.

As had been expected the unions at Poissy, where the workforce is largely immigrant, objected to the redundancies. This means that under complicated French procedures, the demand to carry out the "dismissals for economic reasons" will now be placed by the company before the local labour department.

The department's response, which is expected to be favourable, will nonetheless be a key test of the Socialist administration's attitude to restructuring involving substantial lay-offs.

The Communist-dominated CGT union yesterday demonstrated its hositility to the proposals by organising work stoppages at Poissy where the Samba, Horizon, Solara and Peugeot 104-Z are manufactured.

The company said yesterday that it would forward the dossier to the labour department on Monday.

Peugeot has lost FFr 6bn over the last three years and had hoped to return to profit this year before a downturn in the French car market called this prospect into question.

Apart from Talbot, the remaining lay-offs are within Peugeot Automobile and and involve early retirement schemes. Worldwide, Peugeot employs 208,000 people.

Meanwhile, work has resumed at the Aulnay plant of Citroen—part of the Peugeot group as well—which had been hit by strikes for several days as a result of a dispute in one of the workshops over pay, conditions and demands for the replacement of a foreman.

W. German nuclear plant contracts awarded

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY has taken further steps in developing its nuclear energy programme, although enthusiasm for nuclear power has waned, along with expected electricity needs.

Kraftwerk Union (KWU), the power-plant builder and Siemens subsidiary, has awarded contracts for preliminary building work at Neckarwestheim, between Heidelberg and Stuttgart.

A nuclear power-plant has been operating near this site since 1976, and the second plant, costing about DM 4.6bn (£1.5bn) is due to come on stream in 1989.

Herr Klaus Bartheld, the KWU chief executive, said that the project would ensure jobs for more than 1,000 people during the next six years—in construction work, electrical engineering, machinery building and other forms of business.

The initial building contracts, worth DM 240m, have gone to a consortium of six contractors.

Meanwhile, detailed proposals for the possible erection of nuclear fuel reprocessing plants at Dragahn, Lower Saxony, and at Wackersdorf, Bavaria, have been submitted to state authorities concerned with safety regulations.

The nuclear reprocessing company, DWK, is understood to have outlined how the plants would operate and how risks would be dealt with.

The Federal Government in Bonn expects that only one of the reprocessing plants will be needed. It hopes that construction permission will be given in 1985, and that a plant will be in operation by 1992.

In another development, state authorities have given formal permission for underground investigations to be made at Gorleben, Lower Saxony, to establish if the site is suitable for permanent storage of nuclear waste.

The Federal Government has earmarked as much as DM 1.2bn for the investigation, which is expected to last into the next decade.

Gorleben has been the scene of clashes between police and anti-nuclear demonstrators.

Despite opposition, nuclear energy has steadily become more important in West Germany, which now has 15 nuclear plants. Nuclear energy accounted for 21 per cent of electricity generation last year, up from 17 per cent in 1981.

U.S. wholesale prices pushed up by drought

BY NANCY DUNNE IN WASHINGTON

SEVERE DROUGHT in the Mid-West nudged up seasonally adjusted U.S. wholesale prices 0.4 per cent in August, the Labour Department reported Friday. They rose only 0.1 per cent in July.

With its worst effects still to come, the drought pushed up the finished consumer goods index 0.3 per cent last month. Vegetable prices were up 16.5 per cent, mostly because the heat kept part of the crop from harvest.

Poultry prices were up 5.1 per cent as the heat began killing chickens. Pork prices were up 0.6 per cent after declining in the previous five months.

Economists had expected large increases in the wholesale price index, calculating that the recovery would stimulate demand and prices. However, even with the drought, the entire index climbed only 1.4 per cent from August, 1982, and it was at exactly the same level as it was last January.

Wholesale prices for capital equipment advanced 0.7 per cent in August, the largest monthly increase in almost two years. Much of the acceleration was due to higher prices for motor vehicles but prices also rose for machinery, machine tools, aircraft and photographic equipment.

After declining 1.2 per cent in July, the index for raw materials shot up 2.1 per cent last month, the highest rise since August, 1980.

The index for crude non-food materials, fuelled by the economic recovery, rose 1 per cent, the sixth increase in as many months with aluminium scrap soaring 18.2 per cent and raw cotton prices registering large increases.

The only good inflation news on the raw materials index was in energy prices, which continued to decline and dropped 0.2 per cent in August.

BSC to invest £25m at Shotton

BY ROBIN REEVES, WELSH CORRESPONDENT

THE British Steel Corporation yesterday announced plans for a £25m investment to build a dual-purpose, steel-coil coatings line at Shotton, North Wales.

The new line, due to begin production in April 1986, will produce both conventional, hot-dipped galvanised steel and Galvalume, an aluminium-zinc coated product recently developed by Bethlehem Corporation of the U.S., and new to the BSC.

Permission from the EEC to proceed with the investment is still required. This is confidently expected to be granted in the next few weeks because unlike that for products of many other steel industry sectors, demand for galvanised and other coated steel products is growing.

The new line is seen as essential to maintain competitiveness in BSC's existing markets and to expand into new ones in Britain and overseas.

Galvanised steel is widely used in the construction, motor, domestic appliance and engineering industries. Much of the output forms the base material for organic paint or plastic-coated strip, produced at Shotton and at two other BSC works—Bryngwn and Tafarnaubach in South Wales.

The development at Shotton will have a capacity to produce more than 200,000 tonnes of galvanised steel a year and will enable three old uneconomic lines there to be phased out without reducing the corporation's total galvanising capacity.

It will also be able to make wider and thinner galvanised sheet steel, particularly for the motor and suction industries. Also, through the new product, Galvalume, it will be able to meet an anticipated demand for improved corrosion resistance in some sectors of the coated steels market.

Galvalume, which will be produced under licence from Bethlehem, is a coating of 55 per cent aluminium and 45 per cent zinc. It offers a similar range of physical properties to the traditional hot-dipped galvanised steel, but is much more resistant to corrosion.

The investment will result in a net job reduction of 54 in hot-dipped coating at Shotton over the next three years, but this might be offset by increased activity in the colour-coat department. Trade unions at the works have given full support to the project.

Mr Eric Cotterill, director of Shotton's coated products operations, described the announcement as "the best news Shotton has had for a decade."

Production of iron and steel ended at the Shotton works three years ago, with the loss of more than 8,000 jobs, but Shotton remains the centre of BSC's coated products activities to employ 2,500 people.

The new project brings total investment in the steel coatings complex at Shotton to more than £85m since 1970.

Whessoe plans £5m injection at Darlington

BY NICK GARNETT, NORTHERN CORRESPONDENT

WHESSOE, the successful process plant engineering group, has proposed a £5m investment and rationalisation programme to prevent closure of its plant at Darlington, County Durham.

The plan includes consolidating the number of workshops at Darlington, cuts in the 450-strong work-force and agreement by the unions to flexible working practices. These would be linked to a pay structure with a productivity bonus.

Management told the unions yesterday that, if the plan were not accepted, the Darlington works would close.

The Darlington plant is the main production facility of Whessoe's heavy engineering division, which accounts for more than half the group's turnover and profit.

Mr Ron Bishop, managing director of Whessoe Heavy Engineering, said the plan was designed to overcome union resistance to a serious appreciation of the fact that "we have got to change."

Pre-fabrication work for construction projects could be continued by the company if the Darlington plant were shut.

The division has been given big contracts for the Heysham and Torness nuclear power stations in the past four years, but these are coming to an end. One redundancy programme has already been carried out at Darlington and three shops were closed this year because of dwindling orders.

The company said its work load at the site would soon be at a level that would keep busy only half the work-force. It partly blamed failure by the unions over the past few years to agree more flexible working and modern production systems, this having caused a deterioration in the company's competitiveness.

Mr Bishop told union representatives yesterday that the Darlington plant as it stood was not viable. Cost projections for its operation looked "horrendous."

The company's investment plan for the area includes spending £3m on new equipment at Darlington and £2m on its dock fabrication facilities at Middlesbrough.

Minister defends cuts in NHS jobs

THE GOVERNMENT'S decision to tell health authorities to put out cleaning, catering and laundry services in National Health Service hospitals to private tender, was defended yesterday by Mr Kenneth Clarke, the Health Minister.

Speaking on BBC Radio Two's Jimmy Young show, Mr Clarke stressed that any money saved would be available for patient care.

He said the Government also believed there could be savings by cutting back the number of nurses. The Royal College of Nursing has launched a campaign to protect the NHS from cuts.

Mrs Gwyneth Dunwoody, shadow health minister, said: "If those people who care for the sick refuse to criticise the organised vandalism of the Conservative Party, simply because they fear being "political," then the *NHS will* be shattered and its dismembered corpse will be cannibalised in a profit spree for the friends of the Tory Party."

European loan for Hull telephone

A £2.5m loan has been provided to Hull Council by the European Investment Bank for development and modernisation of the city's telephone system. This is the only area in the UK where the network is not operated by British Telecom, although it is fully integrated into the national system.

The bank has already lent £4m for previous telecommunications development in the area.

Hosiery factory set to close

THE 150 employees of one of England's oldest factories, Tor Hosiery, in Matlock, Derbyshire, have been given 90 days' notice of redundancy and the closure of the factory because of recession and imports.

The factory was preparing for its 200th anniversary celebra its 200th anniversary celebrations. The owners, Courtaulds, said the plant had been running at a "substantial loss" for several years.

ICL shuts centre as another opens

THE COMPUTER group ICL yesterday announced the closure of its development centre at Dalkeith, near Edinburgh, to integrate activity more closely with other divisions.

The 91 staff who work mainly on development of software for the PERQ graphics system are being offered relocation assistance to Kidsgrove, Staffordshire, where a new PERQ business centre was announced yesterday.

Left-winger wins top council job

MR REG RACE, the left-wing former MP who has frequently attacked the Labour leadership, has been selected for a £20,000 a year senior post in the director-general's office of the Greater London Council.

Mr James Lemkin, Conservative chief whip, on the council said: "This is a blatant piece of political patronage. This man is going to campaign for Labour Party policies and be paid for it by the ratepayers—in spite of being a dissident who snipes at party policy."

Sir Y. K. Pao

In an article in our Bermuda survey of September 9, there was an erroneous reference to "the late" Sir Y. K. Pao. We regret the error.

Sealink UK sale delayed until early next year

BY ANDREW FISHER, SHIPPING CORRESPONDENT

SEALINK UK, the ferry arm of British Rail, expects to return to the private sector early next year, some months later than first expected.

Talks with potential investors—BR will keep less than half of the shares—will be held after the summer peak has passed at the end of this month.

Mr Len Merryweather, Sealink's managing director, is adamant that the company's harbours and shipping routes should be kept in a single entity.

The Government has made clear its determination to sell off most of Sealink, now recovered from heavy losses, as soon as possible but a stock exchange flotation has been ruled out for the moment because of poor financial performances in recent years.

In July the Government declined to approve a proposal for a £7.7m investment in new ferries for Sealink's service to the Isle of Wight because of the impending privatisation.

Mr David Mitchell, Under-Secretary of State for Transport, said the decision would be one for the new owner. He added that BR expected to be ready to transfer Sealink to the private sector by the autumn.

Last year Sealink pulled its shipping division up from a loss of £5.7m to one of only £1m while harbour profits fell from £5.1m in 1981 to £3.9m.

European Ferries is also showing a turnround on its ferry activities. It said yesterday its shipping division made a pre-tax profit of £1.2m in the first half of 1983 compared with a £1.8m loss in the corresponding period of last year.

Dover, Britain's major cross-Channel port, said yesterday that it handled 2.2m passengers in July, 7.5 per cent more than a year ago. But the total January-July figure was barely changed at 7.8m.

Freight business has been buoyant. July saw a 19.3 per cent jump in cargo handled to 748,000 tonnes, with a 10.7 per cent rise to 4.9m tonnes for January-July over the corresponding period of 1982.

Monsanto to shed 130 jobs at Newport plant

BY ROBIN REEVES, WELSH CORRESPONDENT

MONSANTO, the U.S. chemicals group, yesterday announced plans to close its ABS/SAN plastics production unit at Newport, South Wales, with 130 redundancies.

At the same time, production at the Newport site of the intermediate chemical maleic anhydryde—used in the manufacture of unsaturated polyester resin—is to be upgraded in a £2.6m investment programme over the next 18 months.

Mr John Mason, chairman of Monsanto's UK arm said the manufacture of ABS/SAN plastics — widely used throughout industry — would now be concentrated at the company's modern Antwerp plant in Belgium. He claimed this would strengthen Monsanto's position in a highly competitive market, and pointed out that many UK customers were already using material imported from the Belgian facility. Mr Mason hoped the smooth changeover for the remainder would be achieved over the next few months, as the "small and uneconomic unit" at Newport was phased out.

Monsanto's move reflects the continuing unprofitability of the European plastics industry. Last year, producers incurred losses of more than £4.5m a day. Demand has improved this year, but it is generally attributed to restocking, rather than a recovery in growth, and losses have still continued, though at a lower level.

Monsanto hopes that the redundancies at Newport, reducing the workforce to just over 400, can be achieved by early retirement and voluntary redundancies.

GEC meeting tests Lord Carrington's diplomacy

By Andrew Arends

LORD CARRINGTON yesterday required all of his renowned diplomatic skill to get through his first annual general meeting as chairman of the General Electric Company.

In between the serious business he faced a small number of persistent and noisy shareholders demanding, among other things, coffee and buns for all in attendance and motorways to be built underneath the Thames.

At times during the remarkably lighthearted meeting at the Institution of Electrical Engineers the former Foreign Secretary must have hankered after the *relative tranquillity* of Mrs Thatcher's Cabinet. One shareholder demanded *that Mr J. H. Chaplin*, company secretary, should have his salary cut for not providing suitable refreshment to the long-suffering shareholders.

The most contentious issue concerned the status of GEC's charitable and political contributions. One shareholder demanded the restoration of company donations to both the Conservative and Liberal parties.

But most of the 400 or so in attendance seemed to agree with Mr Jacob Rees-Mogg, 15-year-old financial speculator and son of the GEC director and former editor of The Times, that the company should give "lots of money" to the Conservative Party. Labour, he said, would nationalise GEC and that would be "disastrous for you and for us."

As for the Alliance, young Mr Rees-Mogg claimed, they would "plunge us into recession."

Lord Carrington appeared disconcerted at this strident appeal. However, he was effective in defusing partisan cries that GEC should use its £1.3bn "cash mountain" to subsidise the Tory Party. GEC faced demands for donations from all sorts of charitable institutions, he said. The line had to be drawn somewhere and the company only gave money to groups connected with GEC's activities.

In a more serious vein Lord Carrington was forced to deal with accusations that GEC was hiding its "cash mountain" in a bank vault. An angry shareholder said this was unacceptable. "GEC is not a banking or finance company," he said.

Lord Carrington said that there was no huge reservoir of dead money. Most of it was needed for payments and some had to be held in case of acquisitions.

Fortunately for the chairman there were no more hostile questions and with two dissenting votes he was re-elected to the board.

MR IAN MACGREGOR made his first visit underground since taking up his appointment as National Coal Board chairman when he went to Wearmouth Colliery in Sunderland, Tyne and Wear, yesterday.

Mr MacGregor, 71, had to go on hands and knees to inspect the coalface 2,000 ft below the surface and six miles out under the North Sea.

Union officials at the pit refused to talk to him. Mr MacGregor said: "I will talk to anyone but I also prefer to talk to the ones who are doing the work."

Grain harvest set to approach 1982 record

BY RICHARD MOONEY

THE UK grain harvest looks like being much larger than expected and not far short of the record out-turn of last year.

Mr Michael Jopling, the Minister of Agriculture, yesterday estimated total 1983 production of wheat, barley and oats at 21.3m tonnes. Earlier forecasts had put the crop at less than 20m tonnes, well down on last year's 21.925m.

Mr Jopling's forecast was based on new yield assessments published by the Ministry of Agriculture and planting returns in the Ministry's June census.

In its latest agricultural report, based on assessments made by the Agricultural Development and Advisory Service at the end of August, the Ministry puts wheat yields at between 6 tonnes and 6.5 tonnes per hectare compared with 6.18 tonnes in 1982 and a 1978-82 average of 5.68 tonnes.

The barley yield per hectare is put at 4.7-5.00 tonnes against 4.95 tonnes last year and a five-year average of 4.4 tonnes while oats are estimated to be yielding 4.68 tonnes per hectare, up from 4.61 tonnes in 1982.

At the time of the survey Britain's harvest was 85 per cent complete.

These better-than-expected figures indicate that damage done by record-breaking spring rains had been over-estimated and that the crops have done surprisingly well this summer in spite of the lack of rainfall. They will also have been helped by ideal harvesting conditions.

The news will not be welcomed in Brussels, however. If the British performance is repeated in other Common Market countries it will result in a much bigger export surplus than had been expected and a much bigger export subsidy bill.

Higher world grain prices, mainly due to drought-reduced U.S. crops and prospects of a reduced EEC harvest, had raised hopes that the culmination of the EEC budget crisis might be delayed, if not avoided.

BBC behind in ratings

BY RAYMOND SNODDY

THE BBC appears to have had a disappointing summer in the television ratings.

August viewing figures, released yesterday by the Broadcasters' Audience Research Board (BARB) show that the BBC had no general programmes in the top 50 most popular programmes. The only BBC entrants in the list are two editions of the Nine O'Clock News. In July, the only BBC programme represented was one Saturday news and sports programme.

The BBC tends to discount the importance of the top 50 most popular programmes. "Why just pick 50 out of more than 1,000 programmes and anyway 20 of them are Coronation Street and Crossroads," the BBC said yesterday. Coronation Street occupied the first eight places in the August list.

Nevertheless the BBC share of the total audience dipped to about 47 per cent in July and August from 52 per cent in April.

Historically the BBC is weakest in the summer ratings battle but this year efforts were made to change this.

Mr Alan Hart, controller of BBC 1, decided to show a higher proportion of new programmes during the summer and spread repeats more evenly over the rest of the year.

Perkins deadlock

THERE WAS deadlock last night over the strike by 900 machine shop workers which is threatening production at the Perkins diesel engine plant in Peterborough Cambridgeshire.

The Engineering Workers union, at the factory has declined to take up the management offer of talks. The men walked out on Thursday in protest over changes in working practices.

Grundy formally liquidated

BY RAYMOND SNODDY

GRUNDY Business Systems, the microcomputer company which produced the NewBrain computer, has formally gone into liquidation with debts totalling £3m.

Mr Timothy Harris, of Deloitte, Haskins and Sells has been appointed liquidator.

About £1.9m of the £3m is trading debt and the rest is in loans owed to the company's bank and the majority shareholder, the Grundy (Teddington) Group. The British Technology Group owns 30 per cent of Grundy Business Systems.

The largest creditor is Datatech, the Thorn-EMI subsidiary, which assembled the NewBrain. The company is owed about £900,000.

A spokesman for the liquidator said that several computer companies had shown interest and he hoped to be able to rescue the project.

The liquidator would be investigating to what extent the Grundy Group was obliged to meet the debts of unsecured creditors, many of them small subcontractors.

The company has orders for about £1m worth of NewBrains.

Severn Bridge traffic warning

A WARNING of traffic disruption at the Severn Bridge up to early November, particularly during weekend peak periods, has been issued by the Department of Transport.

The problem will be due to re-surfacing

Scots brewery to make 260 redundant

By Mark Meredith

SCOTTISH and Newcastle Breweries yesterday announced the closure of Holyrood brewery in central Edinburgh, and 260 of the 300 workers at the brewery and packaging plant will lose their jobs.

The company said 40 workers would be offered work at Edinburgh's Fountain brewery, which is to undergo a £5m investment for new bulk packing and warehousing. Redundancies at Holyrood will be spread over a 2½-year period, with final closure in spring 1986.

BAe and Hughes join to bid for $500m satellites

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE SPACE and communications division of British Aerospace is joining with Hughes Aircraft of the U.S. to submit tenders for the next generation of maritime communications satellites being planned by the International Maritime Satellite Organisation (Inmarsat).

The body recently called for tenders for up to nine satellites costing about $500m (£270m) to provide for the expansion of the global maritime communications system over the next few years.

The Inmarsat system provides ship-to-shore telecommunications and now uses both the U.S.-built Marisat spacecraft and the European Marecs satellite.

The call for tenders is likely to result in fierce competition for this substantial business.

The BAe-Hughes link is likely to be one of several international combinations bidding.

Under the plan now being drawn up, BAe would be responsible for the overall satellite as prime contractor while Hughes would be responsible for the payload.

BAe is already the prime contractor for the Marecs satellite, one of which has been in operation with Inmarsat, since May 1982, with another under construction. Hughes built the earlier Marisat satellite.

The companies believe they possess an unrivalled combination of experience in maritime satellite development. They will bring in other companies in Europe with interests in Inmarsat.

Mark Meredith reports on a company to the fore in Scotland's emerging bio-technology industry

Commercial breakthrough for the gene machine team

THE Cruachan Chemical Company has the feel of an academic common room. Among the word processors, desks and reference books are large cans of instant coffee and well-used mugs.

Two of the five PhD graduates who formed this company working at the frontiers of bio-technology appear to share one ballpoint pen tied to the wall so that it does not get pocketed.

Dr Brendan Hamill, 33, managing director, and his small staff in the friendly informality of their office seem the antithesis of polished multinational corporations.

From its office and laboratory at Livingston, west of Edinburgh, Cruachan has become an important service point for genetic engineers in Britain. Apart from marketing the chemicals needed for the development and study of genetics, the company has just developed a gene machine to facilitate greatly the formation of gene structures.

The company's main activity is the supply of the chemicals used as building blocks or intermediates in genetic engineering. These chemicals have been around for ten years or so but are not usually available in commercial batches. As the science developed, demand increased until today a range of 200 chemicals is sent to universities and research establishments in industry.

Dr Hamill and his colleagues saw the need for this tool in bio-technology when they were completing their studies at Glasgow University.

Cruachan, named after a mountain in Argylshire, has an annual turnover of about £180,000 and makes modest profit. In 1980 The Scottish Development Agency stepped in with some development loans and took a small equity stake.

This occurred just as the SDA was deciding to give a considerable promotional push to bio-technology as an industry with a future in Scotland.

The agency, the main industrial promotion body for Scotland, has earmarked high technology industries as areas which, although not yielding large numbers of jobs immediately, will help to maintain scientific and engineering skills.

A proliferation of small companies backed by multinationals with larger scale employment has created more than 40,000 jobs in the electronics sector in Scotland since the Second World War. This points to high technology as one of the ways to compensate for jobs lost in Scotland's heavy industries.

Cruachan, taking advantage of government grants and short-cuts through planning permission by using a Scottish new town as a base, has become part of this high technology landscape in Scotland.

In the past few months the company has developed what amounts to a chemistry set for genetic engineers which takes care of the chemical preparation of the intermediates necessary in creating and altering genetic structures.

"Many biologists or genetic engineers do not necessarily have a grounding in chemistry so we devised this machine to do it for them," Dr Hamill said.

The gene machine automatically handles the injection of the right amount of chemical for the right amount of time into a small glass chamber where the genes are being built up on a resin base. The chemicals are then washed out and further chemicals added for further structural development.

The machine will be the first produced commercially in Britain and should be on sale by the end of the summer. At about £5,000 a machine costs less than half the amount of the more elaborate American models in production.

In spite of the relatively small world of genetic engineers and the range of personal contacts built up through supplying the university and industrial market with chemicals, Dr Hamill is unable to forecast the actual market for the machines.

At present only about 1 per cent of the business is for the Scottish market and most heads south of the border. But the company is also hoping for some demand for exports.

Ten machines are in production. An American competitor is said to have sold 14 machines in one month which has provided a tantalising taste of possible demand for this British development.

BIOTECHNOLOGY Investments, the Rothschild fund devoted to biotechnology companies, plans to apply this year for a full listing on the London Stock Exchange.

Lord Rothschild, chairman of Biotechnology Investments, in his second annual report, says the fund is doing so in order to improve the marketability of the shares. They are currently quoted on the Luxembourg Stock Exchange, although dealings also take place in London on the basis of matched bargains.

The chairman said that his fund managers found the present market difficult, through having to match buyers and sellers.

The fund, still believed to be unique in concentrating exclusively on the advanced aspects of biotechnology, has shown a 25 per cent increase in net asset value per share on the year, and 35 per cent in the two years it has existed.

Although launched as a long-term investment in start-up companies, the fund has seen four of its U.S. investments publicly floated this summer.

Lord Rothschild said the fund had performed so well because of the trouble it had taken, before and since it was launched, to get the best advice, both technical and financial, about the new companies and their activities.

The fund has disclosed the names of six eminent scientists who have been acting as its advisers. They include Dr Sydney Brenner of the Medical Research Council's Laboratory of Molecular Biology at Cambridge, and Prof John Davidson, head of the Department of Chemical Engineering of Cambridge University. Another is Prof Edward Ziff of New York University Medical Centre.

Bristol shop sale study

BY WILLIAM COCHRANE

BRISTOL City Council, which has been considering the sale of its £50m Broadmead shopping centre to pay off debts elsewhere — especially those relating to the Royal Portbury Dock—has appointed an outside agency to look at the options and implications involved.

Hillier Parker May and Rowden, a London-based firm of chartered surveyors with an international reputation for shopping centre expertise, expects to make its report to the council shortly.

Mr Mike Digby, a partner, said yesterday: "We aim to explore whether it should be disposed of, if so, what should be disposed of, and how."

He did not rule out a straightforward sale of the whole centre to one big investor—retail property has been one of the most popular areas for institutional investment in recent years—but he emphasised that it was only one of the options involved.

The council has been considering the disposal of some property assets as part of a financial reconstruction to reduce its loan debt. It has the entire freehold of the 29-acre centre, which was built in the 1950s and hosts such big retailing names as Lewis, Debenhams and BHS.

Pension plans criticised

BY ERIC SHORT

PROPOSALS to allow employees to opt out of their company pension scheme and make their own pension provision were described yesterday as completely unrealistic by the Legal and General Group, Britain's largest pensions organisation.

According to Mr John Craddock, assistant general manager (pensions) at Legal and General, the vast majority of employees feel the same way about the suggestion.

The proposal to privatise pensions has many advocates, including the Centre for Policy Studies, the Conservative Party's "think tank."

However, a survey carried out by Gallup for Legal and General showed that only 25 per cent of those questioned preferred the do-it-yourself alternative. Around two-thirds said they would stay with their company scheme because of the guaranteed pensions provided at retirement and because with a company scheme the investment is made for them.

Chapple bows out after setting the course

MR FRANK CHAPPLE, the Electricians' leader, and the retired TUC President, bowed out yesterday after a sometimes noisy Congress but somewhat testing 12 months.

Characteristically, his farewell speech to Congress was one in which he recalled an East European ex-communist saying that where communist leaders felt their policies to be unpopular with the public—they simply changed the public.

His anti-communism—he was himself a communist in the 40s and 50s—has been a *guiding* philosophy of his public life though it cannot sum up a more than usually complex man.

This was in some ways Chapple's Congress—but not totally. While there has been a well noted swing towards the centre-right, many Congress policies, and much of the TUC's posture, remains alien to a man of who in the past 20 years has made a habit of thinking through politics for himself—a habit which is now endemic *in his union*.

As the Congress closed he remained modest about the role he played in the movement of events.

He said: "It wasn't down to me or my influence that Congress brought in changes, it was the Government and the economic situation."

In spite of the moves of this week he is not one to fool himself about the future. He is sceptical of the will of the new centre-right majority—a *majority of which he cannot be a* part.

He said: "I don't think there is anything of any permanence. The normal thing with the moderates or the right is that when they have this sort of victory they tend to relax."

However, he concedes "some of the new people on the general council like Alan Tuffin (the postmen's leader) and Alistair Graham (the civil servants leader) are very good. They behave like communists. Communists who join a union executive or the general council make *bloody long speeches* from day one. The moderates can spend four years sitting quietly and then they can't say anything because they're intimidated. But they don't do that they speak up."

Mr Chapple believes that the Labour movement is in a race against time. It has got another five years in which to prove it can mount an effective opposition and if it can't it will be lost. He said: "Whether it will happen I don't know. When you get to the Labour Party conference you get mad things happening, madder than the maddest things the TUC could dream of."

He believes that one of the biggest events of the past week has been the change in general council structure which gives an *automatic seat to unions with* 100,000 members or more.

"The big thing about that has not been the shift to the Right because that will change. The big thing has been taking away the patronage of the Transport and General Workers Union and that allows people on the *council to be more representative*," he said.

Representation is a central concern: and Mr Chapple sums it up simply: "I don't care if a fellow is Right or Left as long as he is representing something tangible.

"If the members really do want to live the life of those behind the Iron Curtain and vote for it they should have it. For myself, I'd go somewhere else. My big fight in the union has always been to try to get people to be representative."

He rejects the common view that he has held his union in an iron grip. "The thing is this, we kept up the political fight, we've never taken a blow without returning it."

"The Left don't like that. But the political decisions that we've taken will stick. They were never just my policies they've been accepted by everybody and there are a lot of good new people so the policies won't change."

Surprisingly, a main regret of his is his inability to form a closer relationship with Jack Jones, the dominant union figure of the 70s. Chapple once insulted Jones and, while he feels he was right, he wishes the rift between them could be mended.

He will stay at his post in the electricians union until the middle of next year, and then ease himself out. He hopes to be more active on the boards of the Tote, of the National Nuclear Corporation and of the Inner City enterprise group. "For the rest I hope I'll be offered some part-time perks, just as long as there is no hard work involved."

Right turn: Frank Chapple consults with TUC general secretary Len Murray

Labour newspaper hopes fade

Reports by John Lloyd, Philip Bassett, David Goodhart and Brian Groom

CONGRESS yesterday uneasily kept alive the idea of the new Labour newspaper, though the level of opposition to it gave further strength to the view that the translation into reality of the proposal looks increasingly unlikely.

All delegates to this week's Congress have been circulated with a copy of the report by Lord McCarthy on the feasibility of establishing a new Labour movement paper.

Mr Moss Evans, chairman of the TUC's media working group, successfully fought against efforts to lay the idea to rest. He proposed the establishment of a committee to follow up the McCarthy report by looking in detail at the question of meeting the initial £6.7m costs of the new paper.

He said: "We have had one hard-headed analysis of the potential for a new paper. Now we need another hard-headed analysis of the possible availability of funds."

Having come this far with the idea, the unions have a duty to find out the financial position. "I emphasise that point, because I know there are people who feel strongly that, however desirable a new newspaper might be, our unions at this time and in this climate simply cannot afford it."

Mr David Basnett, general secretary of the Municipal Workers' Union, tried to scotch the whole idea. He said it was not just a question of finances, but the fact that the McCarthy report did not take proper account of the changes in media technology, such as cable and video, and *failed to deal* properly with the central problem of an identity gap between union leaders and members.

Mr Evans *said that* if Mr Basnett's move was carried by Congress then the idea would be dead and he said: "Let's *have the courage to get on with* the job." Mr Basnett's move was defeated.

Strong criticism of the reporting of the Congress this week came from Mr Eric Clarke, of the Scottish area of the National Union of Mineworkers, who said the character assassination by newspapers, especially against NUM president, Mr Arthur Scargill, was ridiculous. He called on unions in the media to join with people in the TUC "to eradicate the filth" and said that this kind of reporting was "done to alienate the rank-and-file members from their leaders."

Congress also voted for a motion from the National Union of Journalists deeply critical of the operations of the Press Council, the industry's watchdog body, but also accepted an amendment from the Fire Brigades' Union, which stopped the TUC from severing all connections with the Council.

Appeal for blindness allowance supported

A BLIND DELEGATE at Congress yesterday appealed for the Government to introduce a blindness allowance and a disability income to all registered disabled people.

Mr Chris Hynes, of the National League of the Blind and Disabled, had his motion backed by delegates.

Mr Hynes said the League had campaigned for 12 years for the introduction of an allowance to offset the cost of blindness.

He said: "We want a disability income for registered severely disabled people in the United Kingdom giving them *parity with the disabled of* Europe and most of the English-speaking countries of the world."

There was also backing for a plea on behalf of hundreds of people who roam the streets after being discharged from hospital, made by Mr Cyril Ambler, of the Confederation of *Health Service Employees.*

He said: "There are few towns that cannot show the results of indiscriminate discharge from hospitals."

Congress called for adequately staffed and funded services for the case of the mentally ill and *handicapped and for the elderly.*

United opposition to rail cuts

THE RAIL unions will fight a united campaign of opposition to cuts in public transport services. Mr *Jimmy* Knapp, general secretary of the National Union of Railwaymen, told Congress yesterday.

Moving a motion rejecting the Serpell report on railway finances, Mr Knapp said: "The days of public squabbling between rail union leaders are over for good."

Mr Knapp criticised the Serpell report for "its many inaccuracies." He went on: "The report is based on the notion of a commercially viable rail system based mainly on freight—but the report also recommends closing most of the main freight lines."

Mr Knapp said Serpell would lead to a major reduction in the size of the present railway system and would have devastating consequences.

Government dumped nuclear submarine, says seamen's union

THE GOVERNMENT was yesterday accused at the TUC Congress of dumping a nuclear powered *submarine* off Cornwall.

Mr Jim Slater, general secretary of the National Union of Seamen, who made the accusation, also claimed that Whitehall is secretly planning to dump plutonium-contaminated waste from the nuclear weapons research centre at Aldermaston in definance of all international regulations governing sea dumping.

Mr Slater was moving a motion calling on the Government to stop dumping nuclear waste at sea for two years, *while a scientific inquiry takes* place into its effects. The motion was backed by the general council and received the overwhelming support of Congress despite opposition from the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union.

Mr Slater said that the blacking action by the NUS, the train-drivers' union, Aslef, and the Transport Workers had been a "total success" and that more than 7,000 tonnes of British and Belgian nuclear waste is now not resting on the ocean beds as a result of the boycott.

He went on: "The view of the NUS is that, if countries such as Britain are to have civil and military nuclear industries, then they also have a duty to develop responsible long-term *measures to deal with their* waste by-products. To dump the waste in international waters is an irresponsible 'out of sight, out of mind' approach, and an insult to the international community."

He said the scientific community was still bitterly divided *on the* impact of dumping, "and, if ever a verdict beyond all reasonable doubt was needed, it was on the issue of whether it is safe to release thousands of tonneso f deadly radioactive waste into the northern Atlantic every year."

By contrast, he added, international public opinion is much clearer. "An overwhelming majority of countries represented on the London Dumping Convention voted 19 to six in February for a two-year ban on sea dumping. It is our job to reflect that concern here at Congress."

He also said that the 1981 Commonwealth conference came out in support of the stand by south Pacific countries against nuclear waste dumping in the Pacific.

"Our own Prime Minister was one of the signatories to *that report. And it is taking* cynicism too far to object to dumping in the Pacific but approve it in the Atlantic," he said.

The U.S., West Germany, and France long ago opted for land storage, and they have recently been joined by the Netherlands *and Switzerland.* "*Yet the* amount Britain dumps is increasing each year. Ten years ago 13,000 curies of radio-activity were dumped. Five years ago it had risen to 70,000, and this year Britain planned on getting rid of 150,000 curies. And remember this waste doesn't stay sealed in the drum—the whole process is designed to let the radioactivity seep out and be absorbed," he said.

"The NUS is now seeking support for our stand, not because we need TUC backing for it to be a success—but because we feel there is now a chance that the British Government, isolated and condemned in the international maritime community and with its sea-dumping programme in tatters, can be persuaded to change its mind."

A *circular from the International* Maritime Organisation dated August 3 details the issue of a permit by the Agriculture Ministry No DAS 2072/83, and dated July 19 on the disposal of a submarine, containing waste listed substances which include nuclear materials.

The Government's notification did not give details about the waste's quantity and chemical composition. Its navigational co-ordinates as listed pinpointed a spot 12 miles south of Fowey in Cornwall. The Defence Ministry confirmed the sinking of the *submarine*, but *said* it was a conventional diesel engine vessel, HMS Narwhal, which had been dumped for military purposes including target practice.

However, *union* leaders insisted that there was no need to issue such a permit if the *submarine did not contain* a form of nuclear waste.

Also, a further document, the confidential minutes of a meeting in January this year between Government departments and private companies, was used by union leaders to illustrate concern about dumping other waste particularly plutonium.

In a section headed the disposal of special Atomic Weapons Research Establishment waste, the document states that the use of a small number of larger size packages of waste, might lead to "awkward questions" about the contents and the origin of the packages.

It says that while packages of 130 grammes of plutonium are probably just acceptable those of 500 grammes could cause problems with the International Atomic Energy Authority and could be defined as high-level waste.

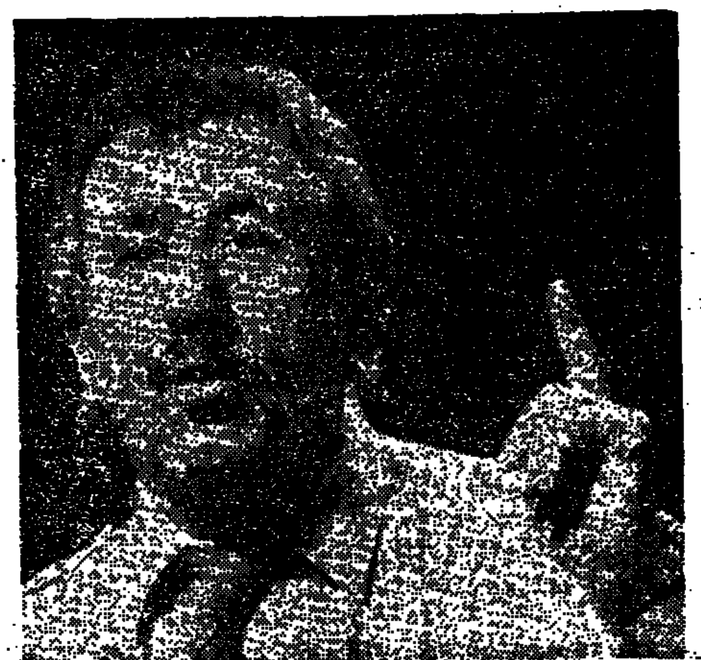
The document stated the plutonium content presented far more problems because any suggestion that the UK was *dumping high-level waste could* imperil the whole future of sea dumping."

Lynton McLain writes: The Defence Ministry acknowledged yesterday that it had deliberately sunk a conventional submarine off Plymouth, Devon, *last month as a "training target for divers."*

HMS Narwhal has been on the Royal Navy's disposal list at least since 1977 and was finally "put on the bottom" a couple of weeks ago rather than sent to the scrapyard.

The Narwhal was not the first RN submarine to be scuttled. Thirty years ago an S-class submarine was scuttled off Portland, Dorset, for target *practice.*

The Ministry said: "We have *never scuttled a nuclear submarine.*"



Jim Slater . . . radiation fears

Straw warns on links with Labour

By Kevin Brown

MR JACK STRAW, a senior Labour Treasury spokesman, last night issued a grave warning to trade union leaders not to use Labour's General Election defeat to weaken the links between the TUC and the party.

Mr Straw was bitterly critical of Mr Frank Chapple, the retiring president of the TUC, whom he accused of leading the drift away from Labour.

Speaking in his Blackburn constituency, he accused Mr Chapple of using his "fiefdom" in the electricians' union, EETPU, "not only to weaken *the links with our party*, but to destroy them."

Accusing Mr Chapple of dreams and fantasies about "a sanitised, centrist trade union system," Mr Straw claimed the reality would be "a politically neutered movement . . . at worst as corrupt and morally degenerate as the American Teamsters' Union of Jimmy Hoffa and Mafia fame."

Mr Straw said the goal of sectional trade unionism devoid of socialist ideology towards which Mr Chapple was working was the unacceptable face of trade unionism.

He said: "It is plainly the direction in which Frank Chapple is now seeking to move the trade union movement. No good can come of it, least of all for the interests of trade unionists as a whole," he said.

Mr Straw warned the unions against colser links with the Government or the Alliance, both of which sought the weakest possible trade union movement.

The general election was a defeat for the labour movement as a whole, but its lesson was that *Labour must spread* its message more effectively, and not that the party's days were numbered.

Mr Straw's attack on the union movement's leading right-winger comes in the wake of a TUC conference which decided to talk to the Government about industrial legislation and to investigate the value of its links with Labour.

The strength of his language is an early indication that Labour's leaders will leave no stone unturned in their determination to prevent the Alliance, or anyone else, benefiting from the party's electoral misfortunes.

Curbs on cable TV are sought

THE TUC Congress yesterday called for a strict quota on the use of foreign material by cable TV operators.

The motion on cable TV also called for the establishment of a cable authority with regulatory powers equivalent to those of the IBA: requirements on programme standards equivalent to those in public service broadcasting; and a mandatory requirement for the separation of cable providers and operators.

Mr John Gray, of the Association of Cinematograph, Television and Allied Technicians, moving the motion—passed overwhelmingly — said: "To make profit, the cable operators *will have to hire second-hand* American programmes."

Mr Gray said that the unions wanted a quota of 14 per cent of foreign imports for cable, the same as the present IBA quota, but the Government appeared unwillin gto lay down any limit.

Pay rise agreed

NEARLY 500 members of the General and Municipal Workers Union at the Whitworth Holdings food factory in Irthlingborough, Northants, have bypassed union negotiation and accepted a pay offer after being balloted by management.

Piracy danger 'grows'

THE TUC is to press for international action to eliminate the threat of piracy on the high seas.

Armed attacks on merchant ships were becoming "almost commonplace"—mainly off West Africa and the Malacca Straits, said Mr John Newman, of the Merchant Navy and Airline Officers Association.

There were at least 36 reported attacks in the first two months of this year alone, he said.

Often as many as 30 pirates in high-powered boats threw grappling hooks over the sides of merchant ships. "They are increasingly using modern firearms as well as knives and other weapons," said Mr Newman.

Car delivery strike to continue

AN UNOFFICIAL strike by 200 drivers employed by the Silcock and Colling transport delivery company at Liverpool is to continue at least until Tuesday.

Talks between the transport company which delivers Ford cars from Halewood and the Transport and General Workers' Union at the Acas headquarters in Liverpool were adjourned for the second time yesterday.

The union officials will address a meeting of the men on Tuesday and talks will be resumed later.

THE WEEK IN THE MARKETS

Sitting on their hands

LONDON

ONLOOKER

THERE WAS more fun to be had watching events in Brighton than on the Topic screens around Throgmorton Street this week. Fund managers seemed to be sitting on their hands waiting for the Government to drop £500m or so of British Petroleum stock on them. An offer is widely expected next week.

However the BP saga took a twist this week. On Wednesday evening BP spread the word that it was planning to dispose of a minority stake in the Forties Field for around £½bn. With its own tax allowances running out the income stream from Forties could be worth more to a purchaser with North Sea capital expenditure to offset.

Was the Government manipulating the news, in an attempt to whet investors' appetites? Evidently not, judging by the comments drifting around the next morning. Exchequer officials sounded more than a little irritated that they might be deprived of some fat cheques.

With the August holidays out of the way the interim results season started to get under way in earnest though the best stories of the week tended to be tied to bids and deals.

Exco calling

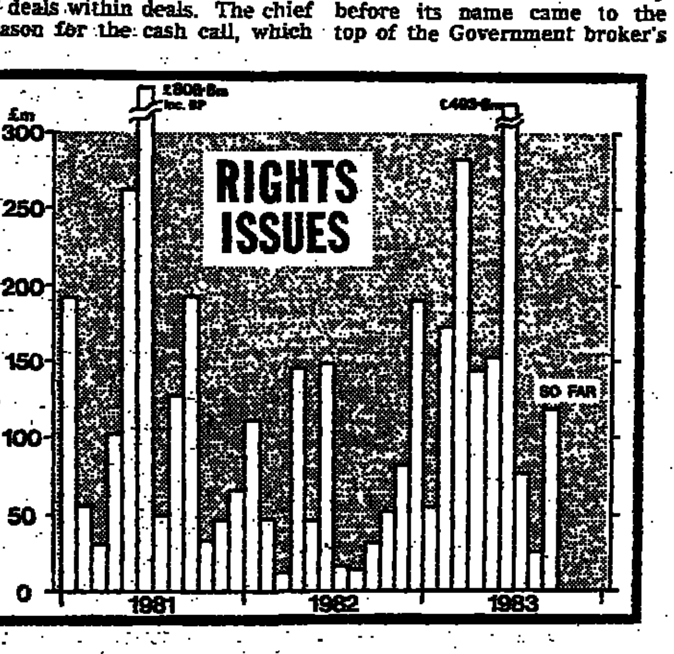
The near £50m rights issue announced by Exco International on Tuesday was a case of deals within deals. The chief reason for the cash call, which was on a 2 for 9 basis at 440p per share, was to acquire control of its U.S. quoted associate Telerate.

Exco is to spend about £17m in buying 1.25m Telerate shares. Most of them come from investment clients of Gartmore Investment Management in which Exco acquired a controlling interest last month.

A further £17m of rights issue proceeds has been earmarked to reduce a $43.5m term loan incurred in the process of Exco's reorganisation of its other U.S. interests earlier in the year. The remaining £14m that Exco hopes will be forthcoming from its shareholders is officially "to broaden the capital base," but it would not be surprising if this too was used to mop up a few minorities.

Exco had been seeking to gain control of Telerate for at least a year before the U.S. financial information business was floated on Wall Street in April. At that time Exco's share price was around 750p, and it must have been an agonising wait for Exco as its shares drifted down steadily before its name came to the top of the Government broker's list in the new issue queue.

At the same time as the rights issue announcement the company revealed that its interim profits for the first half of 1983 were £12.5m, a 74 per cent increase on the restated comparative figure of £7.2m. One of the points of the deal was to consolidate Telerate's profits into Exco's own figures, and this has led brokers to raise their estimates of Exco's full-year profits to around £33m pre-tax.



Burton baulked

Seven months of hard bargaining by Burton Group, which takes in Top Shop and Peter Robinson clothing chains, suddenly came to nothing on Wednesday afternoon this week. The carefully planned purchase of 217 Richard Shops and 242 John Collier branches from UDS which Burton had been negotiating exhaustively since February, and measuring up for several months before that, *suddenly fell apart* just as the final pieces of the jigsaw appeared to have fallen into place.

Burton had a deal with Sir Robert Clark, the then chairman of UDS this spring, but Hanson Trust acquired UDS in April for £265m and the talks had to start afresh. The initial agreement to pay £78m for the two multiple retail chains was amended to £97m which, after agreeing a complicated scheme of arrangement designed to cut Hanson's tax bill, seemed to be that.

Not so. There were other competing deals on the horizon which Burton had overlooked. Mr Ralph Halpern and Mr Michael Wood, respectively Burton chairman and finance director, went to the separate meetings on Wednesday lunchtime unaware of the course that afternoon's meeting with Lord Hanson, chairman of Hanson Trust, was to take.

For reasons which Burton still cannot properly explain, Hanson had suddenly decided that it had a "special obligation" to favour the alternative offer put forward by the existing managements of the two multiples.

The managements now have until the end of this month to pull off a purchase worth £104m. It is not as if the managers have merely outbid Burton, because the two offers look just about the same, allowing for *some differences* in the assets to be acquired. But, advised by Kleinwort Benson, co-ordinated by Laurie Milbank, the stockbrokers, and appraised by Peat Marwick Mitchell, the accountancy firm, the buyers are confident of attracting sufficient City backing for their plans.

Just how the existing management expects to turn round two businesses which, on Burton's assessment, have been lossmaking for the past three years, remains to be seen. It seems that the new owners will be released from the heavy constraints on mertchandising and capital spending during their years under the UDS yoke although it may be worth noting that Burton had budgeted to spend some £60m in the two chains on stock write-offs and inventory rebuilding, computerisation and store fitting to bring them up to best modern-day practice. The buy-out price tag of £104m on the other hand is said to include all capital spending requirements.

Burton has since scrapped plans to place some £40m of its shares early next week and must build its own expansion, notably at Peter Robinson, on a piecemeal basis. Its disappointment immediately prompted heavy share buying of J. Hepworth but Burton has denied categorically any interest.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	704.9	− 0.9	740.4	598.4	Uncertain in reduced trade
F.T. Govt. Secs. Index	79.98	+ 0.53	83.60	77.00	Interest rate hopes
AE	51½	− 9½	66½	26	GKN bid referred
Anglo American Gold	£87¾	+ 3⅜	£87¾	£68⅞	Recent good results
Bond Corp.	78	+ 9	85	51	Bambra 2 oil discovery
Bunzl	367	+24	368	217	Interim results
Burton Grp.	337	+15	372	276	Store chain purchases thwarted
Eglinton Oil & Gas	310	+90	310	35	Rumoured Sth. American oil find
Exco Intnl.	543	+30	745	337	Increased stake in Telerate
Executex Clothes	28	+12	32	9	Speculative demand
Fenner (J. H.)	90	+10	132	70	Speculative demand
Hawker Siddeley	298	−12	406	298	Lack of support
Jebsens Drilling	162	−21	200	138	Reduced int. dividend
Jones (Edward)	26	+10	26	13	Centreway stake sold
Kode Intnl.	355	−12	379	275	Interim results
Moben Grp.	32	− 8	56	32	Profits warning
News Intnl.	310	+35	310	108	Sharply higher profits
Peters Stores	86	+14	100	61	Speculative demand
Tricentrol	228	+12	240	148	Revived bid talk
Waddington (John)	243	−13	280	68	BPCC offer lapses

Half time at P & O

Having been piloted into the temporarily safe waters of the Monopolies and Mergers Commission's neutral harbour, P & O is stocking up its armoury should it need to go out and do battle with Trafalgar House on the spring tides. The steam navigation company claims to have seen the Jolly Roger fluttering over Trafalgar's fleet and would no doubt appreciate the Commission's heavy shore batteries seeing off the predators.

A decision from the Commission cannot be expected till the turn of the year at the earliest. Meantime the defence is busy, just in case. Ship's orders have already been posted naming Jeffrey Sterling, of Town and City fame, as the next admiral of the fleet, due to be piped on to the bridge from November 1, and this week P & O passed around the rum ration of its interim figures. Crew and owners alike look suitably fortified.

At the pre-tax level P & O is up a quarter to £11.1m though it was not good news all the way through the divisional breakdown. Losses increased from deep sea cargo activities. Its own ships lost £3.6m in the first half, £3m more than the same time last year, while associates made a reduced profit of £2m. Ferries and passenger shipping produced their usual seasonally low figures.

It was the non-shipping activities which really gave the figures a boost. Pride of place has gone to the housebuilding subsidiary, Bovis, with a turnround of over £7m to profits of £5m. European transport proved another winner with a new management team pulling out a £4.4m profit from trucking compared to under £1m.

There can be little doubt that P & O is on course for a very good year after the substantial reorganisation of the last few years. City talk is that the group will come in with £10m or more over 1982's £33.5m pre-tax profit and 1984 could well be a record outturn. If the Commission allows Trafalgar to do battle again it will have to do better than its last broadside. On current prices those terms value P & O at barely £10m more than the current market capitalisation of £300m.

A cylinder lining

Guest, Keen and Nettlefolds must wait at least six months to discover the fate of its far-reaching plans to re-organise the British engine components market. Its £66m offer for Associated Engineering was referred by the Office of Fair Trading for an investigation by the Monopolies Commission.

Faith renewed

NEW YORK

TERRY DODSWORTH

ON LABOUR DAY Americans put summer away in a drawer and lock it up for another nine months. To judge from Wall Street's reaction to the day off on Monday this week, they also abolish holiday thoughts with it, returning with renewed faith in the work ethic. Only minutes after the reopening of trading on Tuesday, the equity market began to head upwards, and the Dow Jones Industrial Average worked up enough steam over the day to finish 23.27 points up at 1238.72.

This was the largest advance since July 30, just before the summer season first put a damper on trading, and it left the index within easy striking distance of the three month old record of 1248.30 set on June 16. The rest of the week was spent testing that target, with twitches of profit taking pulling back the Index every time it looked as though it might gather up its courage and launch another leg of the bull market.

Despite this renewed vigour, however, the market has clearly not moved out of the broadly corrective phase which has seen the Index shuffle sideways all summer as investors redistributed their holdings according to their perceptions of the type of recovery the economy is heading into. Trading has been solid though not frenetic, with volume touching around 80m most days, and the institutions particularly active. The weight of institutional trading was indicated by the amount of block trading, and it involved a heavy concentration on the big blue chip companies.

At the same time, the week's trading has shown that equities are still fairly tightly shackled to the fortunes of the debt markets. Tuesday's explosion of activity was, indeed, very largely a delayed reaction to the strengthening of bond price after the unexpectedly good money supply figures.

Despite the repeated warnings of the limitations of responding to one week's figures, a flurry of late activity had driven interest rates down. By Tuesday, with one extra day's trading to make up, equity investors had clearly convinced themselves that the movement towards lower interest rates was the correct one. The money supply figures indicated both that the battle against inflation was still being won, and that rates could come down still further.

In the previous couple of weeks, much of the investment interest had centred on areas where there had been striking evidence of a market recovery—aluminium stocks in the wake of price increases and motor vehicles following moves to step up output. This week the advance was more widely spread among the big blue chip industrials, although defence stocks showed a little flurry in the wake of the Korean airline shoot down.

Once again, IT and T regularly proved to be the most actively traded share (a volume of 1m on Tuesday alone) partly, perhaps, because of the general feeling of excitement in advance of the company's dismemberment in January. The current uncertainty about what this will mean for the eight new companies created to carry on the ITT business is fertile ground for speculation.

The big disaster of the week was Apple, the home computer company traded on the over the counter market, which has suddenly run into a wall of scepticism constructed by that master of offensive warfare IBM.

IBM's move into the home computer market, and its extremely rapid expansion on the back of its formidable market expertise, is reckoned to spell trouble for Apple, and the shares fell by more than 12 per cent on Wednesday to $34⅛.

What the questions about Apple are emphasising is what investors have come to learn the hard way about high technology stocks—that, like high technology companies, they can make a lot of ground very quickly, but in both directions.

This message was hammered home this week when Mattel, the electronics toy company, produced an horrific set of second quarter figures which have virtually delivered it into the jaws of its bankers.

MONDAY	Market closed	
TUESDAY	1238.72	+23.27
WEDNESDAY	1244.11	+ 5.39
THURSDAY	1246.14	+ 2.03

Nifty find near Marble Bar

HAS AUSTRALIA'S Western Mining pulled off yet another major exploration success? This thought was uppermost in my mind on Wednesday when the company announced a new copper find at its Nifty prospect in the Throssell Ranges, some 200 km from sweltering Marble Bar in Western Australia.

What caught the eye was the official comment: "On present indications the average grade should be in the economic range." When a company of Western Mining's calibre says this, it usually means that there is a new mine in prospect.

At this early stage, it is impossible to tell how large and of what grade the newcomer is likely to be. The limited drilling done so far, however, has cut both secondary and primary copper mineralisation (there may well be silver present as well) and it is the secondary material which is considered to be economic.

In geological terms, secondary mineralisation does not mean that it is less important than primary mineralisation; quite the reverse, in fact.

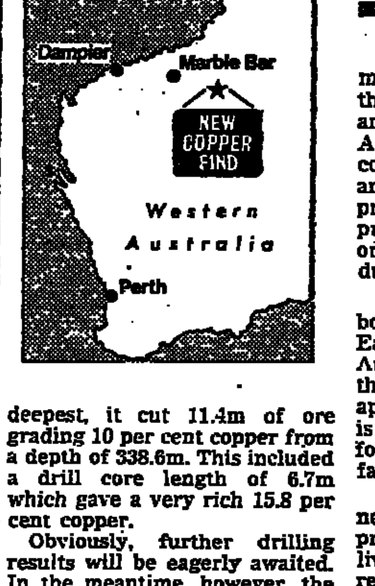
Primary refers to the source of the ore whereas secondary refers to the material that through the natural action of ground movement, water and weathering, has been sucked away from the source. This action often results in a greater concentration of metal in the ore.

Western Mining has not disclosed any grade for the secondary material—perhaps it is "adequate," as in the case of a Rolls-Royce motor car—but it is amenable to low cost open-pit mining, lying at a depth of 30m to 50m on an area 1,300m long by 100m to 300m wide. It looks good.

A handful of drilling results have been obtained from the primary mineralisation which lies deeper down from a depth of about 200m. Western Mining says that a great deal more drilling is needed to evaluate this material. The few results given are intriguing, if not teasing.

Of the 10 drillholes put down, four found little or nothing. A further five hit copper values ranging from about one per cent to a good 4.8 per cent over some large widths, or thicknesses, of ore penetrated by the drills.

The star turn was provided by drillhole TND 9. One of the



deepest, it cut 11.4m of ore grading 10 per cent copper from a depth of 338.6m. This included a drill core length of 6.7m which gave a very rich 15.8 per cent copper.

Obviously, further drilling results will be eagerly awaited. In the meantime, however, the London investment fraternity is very much concerned with Western Mining's plans to limit total foreign shareholdings to a maximum of 40 per cent of the company.

This is broadly in line with the Australian Government's guidelines on foreign investment. What troubles London is that with foreign ownership of Western Mining now believed to be in the region of 34 per cent, what would be the position of a future London purchaser of the shares if it was subsequently found that his holding together with those of other foreign investors had lifted the non-Australian total above 40 per cent?

It is up to the Australian authorities to tackle this problem which could also apply in the case of other companies there. One solution might be to split a company's capital into, say, "A" shares for Australians only and "B" shares for all others with both classes ranking equally in all other respects. Investors have a right to know how they stand.

SAVINGS OFFERS

U.K. CONVERTIBLE STOCK 10/9/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	292.50	333.3	80-91	4.2	1.1	3.2	− 4 to 8	43.6	63.9	7.2	+ 3.9
Hanson Trust 9½pc Cv. 01-06	81.54	227.50	107.1	85-01	4.3	1.6	−5.6	− 6 to 1	104.5	71.1	−13.8	− 8.2
Slough Estates 10pc Cv. 87-90	5.03	225.00	234.4	78-84	4.5		−9.4	− 9 to −1	6.5	4.8	− 0.7	+ 8.8
Slough Estates 8pc Cv. 91-94	24.72	111.00	97.5	80-88	7.3	6.4	7.4	−38 to 14	21.0	28.0	6.8	− 0.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

MINING

KENNETH MARSTON

Over on the gold pitch, share markets remain undisturbed by the still uninspiring performance of the bullion price. The Australian exploration issues continue to lead a lively dance and for them current gold prices mean little. Most of the promising finds may need two or three years to become producing mines.

One thought that needs to be borne in mind is that if the Eastern Goldfields of Western Australia eventually produce the ten, or so, new mines that appear to be in prospect there is going to be a big demand for ore milling and treatment facilities.

This, in turn, will create a need for much more of the pricey water that has to be delivered to this arid area. It reminds me of the saying that it is the storekeeper who makes the most money out of a mining rush.

In South Africa, the gold producers have been declaring some increased dividends that, if they are to be sustained, will require higher gold prices than those ruling at present. The **Barlow-Rand group's Harmony**, for instance, is paying out to the hilt with an interim dividend increased to 130 cents (77p) from 85 cents a year ago when a final of 150 cents followed.

Finals from the Gencor group gold mines have exceeded all expectations. They will leave some of the companies with fairly modest dividend yields. **Winkelhaak**, for instance, with a particularly good final of 225 cents to make a total of 411 cents against 313 cents for the year to last September is now yielding little more than 7 per cent.

Kinross returns not much more than 6 per cent with a final payment of 109 cents to make 187 cents against 127 cents, as does **Unisel** with a new total of 112 cents against 90 cents. Much higher yields on **Bracken** (a total of 64 cents against 41 cents) and **Leslie** (59 cents against 35 cents) allow for the short life prospects of these mines.

● **British Petroleum's** 75 per cent-owned Australian mining subsidiary, **Seltrust Holdings**, has turned in another half-year loss, as expected. This was because Mount Newman iron-ore sales declined, the Agnew nickel mine received lower metal prices and the profit-earning drillship spent two *months in dry dock*.

But the Teutonic Bore copper-zinc silver mine has moved to an operating profit. Better nickel and other metal prices and a resumption of earnings by the drillship point to an improvement in the overall second half results. There is still a longish haul to profitability but this "forgotten man" of mining markets is at last heading in the right direction.

● **Pancontinental Mining** has raised its bid to A$2.50 (146p) per share for the Australian **Robe River** iron ore holding company. This bid, conditional only on acceptances lifting Pancontinental's holding from the existing 9.52 per cent to over 50 per cent, beats the previous offer of A$2.40 from **Peko-Wallsend**.

● Despite efforts of the International Tin Council to remove surplus stocks from the tin market by limiting mine exports with cutbacks of nearly 40 per cent, tin prices remain depressed. Malaysia's open-pit producer, **Sungei Besi Mines**, thus warns of a "considerably" lower profit in the current year to next March.

● Australia's **Poseidon**, the shooting star of the nickel exploration boom of 1969-70 which went from shillings to a dizzy £124 per share only to fall to earth and into the hands of the receiver, is doing well in its new career as a gold investment company.

Net profits for the year to June 30 have expanded to A$11.03m (£6.5m) from only A$2.9m for 1981-82. The dividend is lifted to 15 cents (8.8p) from only 2.5 cents.

Poseidon shares at around 360p are now more sedate, but have a better basis in the company's indirect stake of 24.44 per cent of Kalgoorlie Mining Associates which runs the Fimiston and Mount Charlotte gold mines.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bondshare, 3 m. not./pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y. on dem. (int. pen.)
				7.75	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
Anglia	7.00	7.25	8.25	8.25	3 yrs., 2 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.), reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mths.' not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	* Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50	im. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths,
				8.00-9.00	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	8.00	1 mth. not., 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.25	6 mths., 9.10 28 days, 8.25 3 m.
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	8.75	5 yrs., 8.25 1 mth. interest pen.
Leeds Permanent	7.00	7.25	8.25	8.25	3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c
				8.25	£500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	8.50	2 y., 9.00 3 y., 9.50 4 y., 8.25 Bns.
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care '+' Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.25	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

YOUR SAVINGS AND INVESTMENTS—1

LLOYD'S

Passing the means test

Continuing his series, JOHN MOORE explains what assets you need to be a name at Lloyd's

"With these assets, madam, you ought to be welcome"

LLOYD'S, the insurance market, is reputed to be a rich man's club. Outsiders seeking to invest in the market for a share of Lloyd's prosperity have to be of substance otherwise the security of the Lloyd's community could be undermined.

The 21,601 members of Lloyd's provide the capital base through their wealth which allows the market to function, rather like shareholders in public companies. But unlike *shareholders, the members of* Lloyd's are liable to the full extent of their wealth to meet the insurance losses which fall on the market. In recent years some members of one insurance syndicate have faced individual losses of up to £225,000.

When they join the market, *members have to demonstrate* they have enough wealth to provide the capital to support any onerous losses.

Until recently, UK residents with wealth of as little as £50,000 could join Lloyd's. But, to improve the market's security, the requirement for *1984 will be that new members* have to show wealth of at least £100,000. This minimum will apply to members regardless of nationality, residence or domicile and normally excludes the family home.

Members of Lloyd's can use a variety of assets in order to pass the means test. Not less than 60 per cent of the private wealth shown for Lloyd's membership may be represented by any of the following:

- A spread of Stock Exchange quoted securities.
- Cash at the bank or building *society.*
- Surrender value of life policies.
- Guarantees or letters of credit on any of an applicant's assets.

In addition gold may be used to demonstrate wealth. Lloyd's will calculate gold as part of a *member's means at 70 per cent* of its market value but the gold must not represent more than 30 per cent of a member's wealth. Absolute reversionary interests in trusts may also be included at their market value, calculated on an actuarial basis.

Assets *which must not repre*sent more than 40 per cent of a member's total means declared in the test are as follows:

- *Homes, other than the mem*ber's principal residence, are permitted at market valuation, less any outstanding mortgage or loan.
- All commercial property at its market value, less any outstanding mortgage or loan.
- Farmland at its market value, excluding the value of the house if the house is the principal residence, less any outstanding mortgage or loan.
- Leasehold property subject to certain conditions.

A popular method used by underwriting members to pass the *means test is through the* use of a bank guarantee. Normally only a second home, rather than a principal residence, may be used under the means test requirements. But Lloyd's will accept a bank guarantee secured against the value of a principal residence.

Similarly, works of art are acceptable only if they serve as collateral to a bank providing a guarantee. In general, without a bank guarantee, the range of assets acceptable to Lloyd's is limited.

A statement of means must be signed either by a bank, a firm of accountants or a firm of solicitors. Lloyd's members do not have to carry their wealth to Lime Street in a Pickford's van to demonstrate their net worth.

Once inside Lloyd's, members have to maintain the value of the assets that they used to gain membership and report on a regular basis.

NEXT WEEK: Underwriting at Lloyd's.

Trading in for comfort

How to exchange your shares part of a managed portfolio

IF YOUR hair is being turned grey by the ups and downs in the prices of your shares and you don't have time to take a magnifying glass to the back pages of the FT every day, you may be tempted to sell out and buy a professionally managed investment.

One cheap and simple way is to use a share exchange scheme to trade in your equities to the investment management group you have *chosen* in return either for units in a unit trust or an insurance company investment bond.

If you own mainly blue chip shares or others which are widely traded, you can usually exchange them at the offer price. This is the price at which shares are normally sold to investors and is around 2 per cent higher than the bid price, at which shares are normally bought from investors.

Dealing expenses will not arise because the group will keep your shares and not have *to trade them in the market.* The group will also meet any liability for stamp duty.

If, on the other hand, your *portfolio is a hotch-potch* of obscure equities, the group will sell your stocks instead of retaining them for its own portfolio. All you will get is the bid price, but most groups will still shoulder dealing expenses and stamp duty under this type of scheme.

Few groups will want to keep overseas, gilt-edged or unquoted securities, although their preferences vary widely.

The biggest drawback of entering into a share swap is that the exchange will attract capital gains tax (CGT) if your profits exceed £5,300 in any tax year to April 5.

But most of the estimated £5m a month which goes into unit trust share exchange schemes comes from portfolios too small to attract CGT.

Share exchange schemes can also offer attractive administra*tive savings.* Apart from offering comparatively cheap professional management, most groups provide a single consolidated annual tax voucher to cover all investments — which can save valuable time when making tax returns.

But how do you chose between the scores of schemes on offer? Clearly, a key selling point is whether your portfolio fits in with the unit trust's requirements and will qualify for the higher offer price. So it would be wise to try one of the bigger groups like M&G, whose 21 funds include around 1,500 individual equities. However, with a few exceptions, M&G does not take on portfolios worth less than £1,000.

Smaller fry would do well to go for a company like Touche Remnant, *one of the eight* major groups with no lower limit on portfolio size.

"We can offer a means of getting away small parcels of shares that would have been prohibitively expensive on the Stock Exchange," says Alan Wren, managing director of Touche Remnant Unit Trust Management, which has exchanged equities worth as little as £20 since it started a share swap scheme last May.

Shares can also be exchanged into unit-linked life assurance contracts, a move which would particularly suit investors who have not taken full advantage of the tax breaks offered by life assurance schemes, but not by other savings vehicles.

Sun Alliance estimates that nearly 15 per cent of its unit-linked life assurance customers join via share switches. The group will only pay the mid-market price for its most favoured equities. However, whereas most unit trust and insurance groups set their prices on the date the deal is closed rather than on the date they value your shares, Sun Alliance takes the risk of a fall in share prices itself—at least for five days.

Hambro Life allows share exchanges into virtually all of its insurance products, although 95 per cent of its business from this source goes into single premium investment bonds—which are similar to unit trusts, with an element of life assurance.

Although you should hawk your portfolio around to get the cheapest exchange terms, the price you get for it is unlikely to vary by more than 2 per cent of asset value. What is more important is to look at the quality of the management of the trust or insurance company investment bond you are switching into.

Will Dawkins

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Ratepayer and valuation

In order to tackle a street congestion problem, I requested from my local Rating Authority office, the names and addresses (including mine) of the ratepayers of adjoining lock-up garages. However, this the Council refused stating that the information was confidential. What are the rights of a ratepayer to inspect and copy a rate valuation list (both current and old) and a rate payment book?

Section 108 of the General Rate Act 1967 entitles any ratepayers to inspect the valuation list: i.e. the list of rateable hereditaments which shows their gross and rateable values: but this does not extend to a list of ratepayers as such. You can therefore only require to see the Valuation List and hope that you may be able to glean sufficient from it to be able to identify the occupiers, though this seems doubtful.

Height of a fence

Some time ago I read in the Finance and the Family column that the statutory *limit* to the height of boundary fences between private properties is seven feet.

A local surveyor has questioned this and has requested the details of the law containing the statute. Would you please give me the facts?

There is not a statutory limit, as such; but the maximum height of fence which may be erected *without planning permission* is 2 metres, as provided in Class II (paragraph I) of the First Schedule to the General Development Order 1977.

Loan of a replacement

Does the Sale of Goods Act require a retailer to lend a replacement article when an *article he has sold is being* repaired under guarantee? I am thinking particularly of electrical goods and motor cars.

No, but you might be in a position to include the hire charge for a temporary replacement in a claim for damages *if* the retailer is in *breach of contract.*

Capital gains distribution

***I have shares in a Canadian* company United Corporations Limited in the marking name of the National Westminster Bank. *Recently this company* announced a capital gains distribution of C$5.39 per share payable as follows: 75 per cent to provide a share scrip of 1:10 and the balance in cash.**

I bought some more shares cum bonus, and the stockbrokers claimed and forwarded the cash element gross, whereas the bank withheld 30 per cent, stating I might reclaim this after April 1984. I had expected the bank to credit the capital gains in full, particularly in this case as there is no withholding from the 1:10 scrip issue.

I appreciate that the end result of the brokers' gross payment and the bank's tax deducted credit will be the same, depending on my capital gains/losses in the current financial year, but would have preferred a gross payment now, to be accounted for on my tax return.

I think the bank has exceeded its authority, but, assuming both procedures are correct, do I have a choice and could I ask the bank to reimburse the money withheld?

It is the stockbrokers who have slipped up (as far as we can deduce from the bare facts outlined). Except insofar as any part of the cash represents the proceeds (or value) of a fraction of a share, the cash element is taxable as income, under UK law (and practice), regardless of Canadian tax law. Both the bank and the stockbroking firm were therefore obliged to deduct income tax from the cash distribution, in accordance with section 159(3) of the Income and Corporation Taxes Act 1970. As the brokers omitted to deduct income tax from the distribution they *collected for you, you must* report it as untaxed foreign income in your tax return next April, of course.

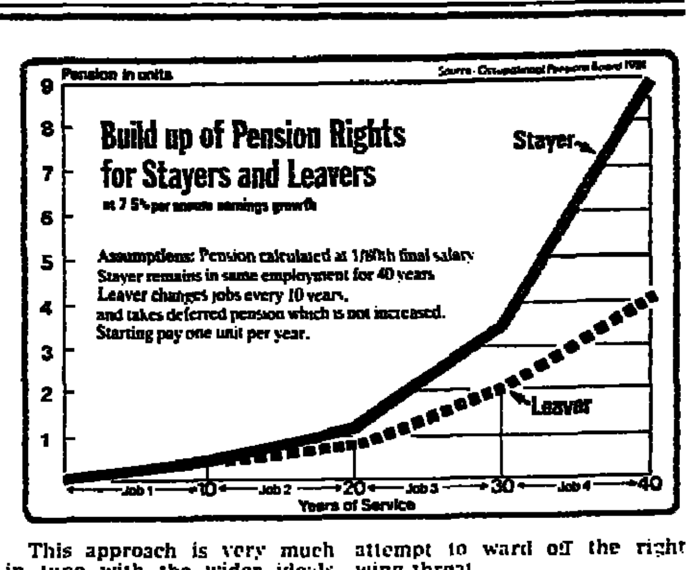
Any cash in lieu of a fraction of a share is treated as a capital distribution' (or a part disposal) for CGT purposes, in contrast to the greater part of the cash received.

We could have given you a clearer and more helpful answer if you had given us precise facts and figures.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Stopping the pension shrink

A government conference next week offers hope for the retirement income of job changers



TWO CHANGES of employment in a working life can more than halve an individual's occupational pension rights. For people who change jobs three or four times, whether voluntarily or through redundancy, the consequences can be even more dire, as the graph indicates.

The figures are taken from a report of the Occupational Pensions Board on the rights and expectations of so-called early leavers. But government-sponsored reports on pensions are scarcely the stuff of most people's weekend reading. And the real cost of changing jobs in the private sector is rarely made clear to new employees who are dragooned into company pension schemes, as often as not, as a condition of employment.

The degree of confusion over pension rights can be seen in the response to a Gallup poll conducted for Legal and General, published this week.

Four out of five in the sample thought that their firm's pension schemes were very good or quite good in providing benefits for them or their families on retirement. Yet three in five apparently thought that pensions amounting to 70 per cent of pay were necessary to provide them with a reasonable standard of living if they retired today.

Unless the sample is wholly unrepresentative, it is highly unlikely that the expectations of those three out of five future pensioners will be fulfilled, unless the present pensions structure is changed.

For many of them the value of pension rights will not be adequately preserved against inflation as they change jobs or go on to the dole. And those who realise that they will be heavily penalised on leaving a job before retirement age may well be reluctant to take the opportunities presented by jobs elsewhere.

There is nothing new about the problems. As long ago as 1971 a White Paper on pensions declared that "reliance on occupational provision as a central and expanding sector of the total provision for retirement could not be justified if job mobility, whether voluntary or enforced, continued to undermine it to the extend it does now."

But successive Tory ministers have relied on voluntary action to correct the inequity in the system whereby the minority of long-serving employees is heavily subsidised by the more mobile mojority.

The pensions business, which is unresponsive to what little consumer pressure exists in this area, has so far failed to deliver. And it would come as a surprise if the pensions lobby shows a marked change of heart at a conference next Wednesday, called by the Secretary of State for Health and Social Security Mr Norman Fowler, on the rights of early leavers.

In fairness to the pensions lobby, it should be said that the problem is not easily solved. Few companies in the private sector are prepared to undertake an open-ended commitment to maintain the real value of ordinary or deferred pensions.

The additional cost of providing everyone with two-thirds of final salary would be high: companies would have to meet the full cost of the long stayers' pensions, instead of relying on early leavers to provide a tidy subsidy.

Alternatively, pensioners would have to accept a lower overall level of benefits, say half of final salary, rather than two-thirds.

None of this should cause those who change jobs with average frequency, or the unemployed, to despair.

In the past politicains have been reluctant to grasp the nettle because they have felt that there are few young votes in it and plenty of elderly voters who were potentially hostile to change. But members of parliament are now coming under more pressure from frustrated early leavers and a groundswell of discontent is building up.

The second reason to expect some movement is that a number of right-wing bodies have taken up the cause.

The Centre for Policy Studies (a private think-tank which carries weight with Mrs Thatcher) has caused a wave of concern among pension specialists with a recent study calling for "pension Xportability." Not only did it argue for pension fund members to be able to identify their own individual financial interest in the scheme: it attacked the whole paternalistic basis of the occupational pension system.

As one of the joint authors, City stockbroker Mr Philip Darwin, puts it, there is something fundamentally wrong about linking pension rights to anything other than the investment return on the fund. He would like people both to have more choice in pensions and to build up a perceptible interest through them in the welfare of the economy, instead of relying on the promise of a paternalistic employer.

This approach is very much in tune with the wider ideals of Thatcherism. And while the Centre for Policy Studies' specific proposals have been attacked by the pensions business, the challenge will not go away: the potency of this political brew can be seen in the way the pensions business now finds itself propounding similar views to the TUC in its attempt to ward off the right wing threat.

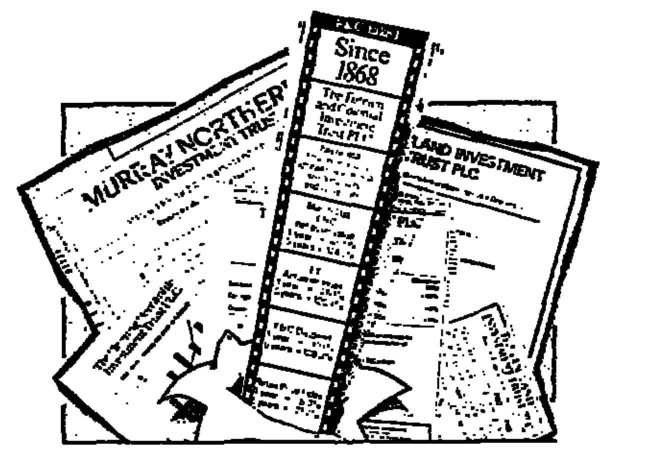
At this stage individual portability, which would involve considerable administrative complexities, is a long shot. But its advocates have probably ensured that the inequity of the pensions system will be brought further into the political debate.

John Plender

INVESTMENT TRUSTS

Winning back the small investor

CLIVE WOLMAN looks at one form of managed funds that has failed to regain its popularity



ONE SECTOR which has not benefited from any upsurge in popularity during the current bull market is that of investment trusts.

Their first cousins, and rivals, the unit trusts have enjoyed record net sales over the past 12 months. By contrast, investment trusts are unable to measure their success by their net sales, as their clients do not buy from and sell back, units to the fund managers at a price which reflects the value of the assets held by the fund.

Instead, would-be investors have to purchase shares in an investment trust from other investors wishing to sell, in the same way as they buy shares in any other type of company on the stock market.

The key indicator of the popularity of investment trusts is the relationship between their share prices and the net assets per share in the funds. Figures produced by Edinburgh stockbrokers Wood Mackenzie show that in previous bul markets investors have often been willing to buy shares in an investment trust at a price close to the value of their underlying assets, just to get a slice of the action through a diversified, managed portfolio.

On the graph, the size of this gap between the underlying net assets and the share price is indicated by the vertical space between the thick black and dotted lines.

In bear markets, however, the shares in investment trusts tend to fall more steeply than the average fall in the market to a level far below the trusts' net asset values.

Since the 1972-74 bear market, however, investment trusts have barely recovered their popularity. Various institutional investors have atempted to take advantage of the discount in the share prices of investment trusts to their net asset values by buying the shares up cheaply in the hope of winning control of the company, winding it up and seizing the assets.

Take-overs and unitisations (when an investment trust is wound up and converted into a unit trust) have reduced the net assets of the investment trust sector by more than 10 per cent in the last seven years. But this attempt to bring the supply of investment trusts more in line with demand has made little impact on the discount.

Instead investment trusts have been attempting to draw back the small private investors who have been deserting them in droves over the last 25 years. Such investors have an additional attraction for the fund managers in that they are unlikely to combine and seize majority control of an investment trust and strip it of its assets.

In the spring the Association of Investment Trusts Companies launched an advertising campaign designed to appeal to the small invesor over the heads of insurance brokers, licensed dealers and other intermediaries who are reluctant to recommend investment trusts because they do not earn any commission on the deal.

The AITC was followed by the oldest investment trust in the UK, Foreign and Colonial, which broke new ground in corporate advertising by publishing details of its investment performance over one and five years in the style of unit trusts. Previously investment trusts and other companies have been inhibited from making such an overt appeal to investors by legal restrictions.

The AITC advertising and its booklet, "More for your Money," stress the attractions of buying, as a consequence of the discount, about £130 of assets or more for only £100.

But the fear of small investors is that, when they come to sell, the discount may have widened further so they wil receive even less than £100 for £130 of assets.

One way of reassuring investors would be for investment trusts to bridge the gulf separating them from unit trusts and intervene in the stock market to buy up their own shares. This would serve to keep up the price and prevent the discount from widening beyond a specified level.

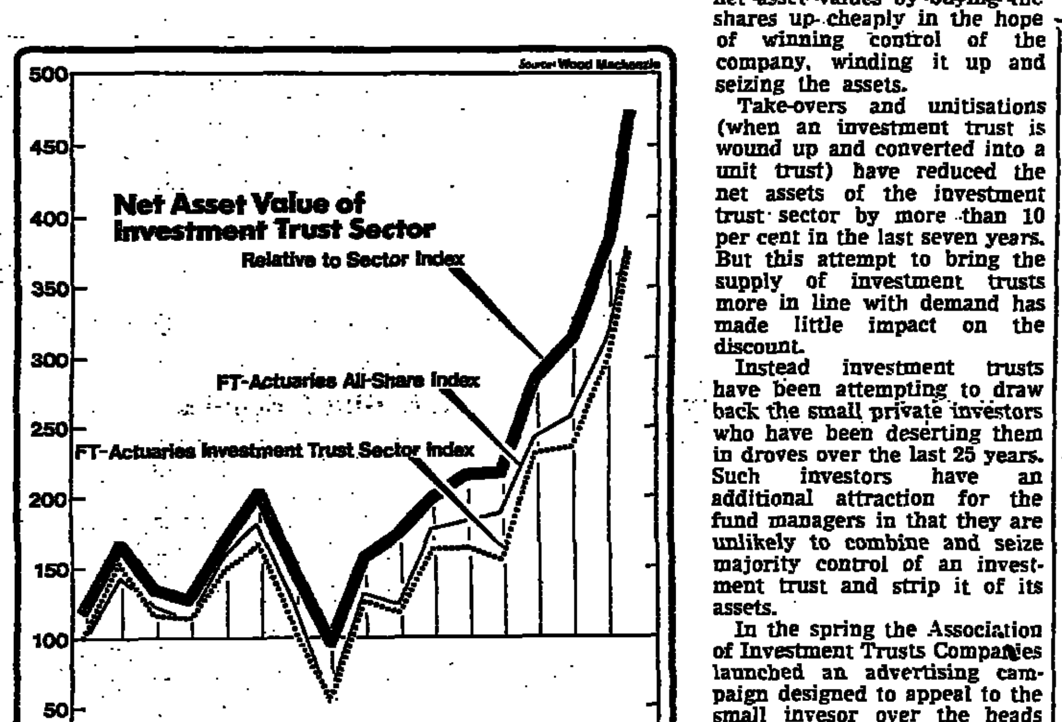
The 1981 Companies Act allowed companies to buy in their own shores in certain circumstances. But the Act does not allow companies to use up their capital for this purpose. In addition, the special tax rules relating to investment trusts oblige them to distribute at least 85 per cent of their profits as dividends.

The combined effect of the two requirements is that investment trusts have virtually no money available to buy up their own shares. And, so far, the AITC has made little attempt to persuade either the government or the Inland Rveenue to modify one or other of the requirements for investment trusts.

Which is a pity, because in many ways investment trusts are a more attractive investment than unit trusts. Their managers have fewer restrictions on the range of securities in which they can invest. Over the last five years, from 1977 to 1982, this has been reflected in a better investment performance by investment trust portfolio managers (according to Wood Mackenzie figures). The buying and selling and annual management charges of investment trusts are also lower.

But, primarily as a consequence of the fluctuating discount, shares in the investment trust sector have been more volatile, and therefore more risky, than those of several other sectors. These include food manufacturing, brewing and food retailing, according to the quarterly figures produced by the London Business School's risk measurement service.

In other words, you are probably taking more risks by investing in five to ten investment trusts, even if they cover different markets and sectors, than you are by buying the shares in five to ten food retailers. And that is hardly the purpose of buying into a diversified portfolio of shares.



CAPITAL TRANSFER TAX

What to do if your son becomes a punk rocker

CLIVE WOLMAN discusses the problems of using off-the-peg avoidance schemes. But more flexible methods of cutting your tax bill can be expensive. The second article in the series.

RATES OF CTT, 1983-84

Amount transferred Band from £	Band to £	Death Rate %	Life Rate %
1	60,000	—	—
60,001	80,000	30	15
80,001	110,000	35	17.5
110,001	140,000	40	20
140,001	175,000	45	22.5
175,001	220,000	50	25
220,001	270,000	55	30
270,001	700,000	60	35
700,001	1,325,000	65	40
1,325,001	2,650,000	70	45
2,650,001 upwards		75	50

A PERSON who dies with no surviving spouse but an estate worth £500,000 will have nearly half his wealth swallowed up by capital transfer tax—if he takes no avoidance measures.

But according to Brian King, of the Christchurch Tax Consultancy in Cheltenham, with careful planning it is normally possible to reduce that bill almost to zero.

For, while a growing number of people have accumulated sufficient property to make themselves liable to CTT, the ways of avoiding the tax have also multiplied, particularly since the 1981 Finance Act.

Last week these columns described the "inheritance trusts" which have been mass-marketed over the past 18 months by life assurance companies into which clients have placed nearly £1bn of funds. These are designed to allow the donor to make better use of his annual and 10-yearly exemptions, by transferring money out of his estate and into a trust while retaining the right to have it returned to him at a later date.

They have been subject to a variety of criticisms particularly from lawyers and accountants. One pitfall for the investor wishing to put a large part of his money into the trust is that whatever he saves in CTT, he may lose in capital gains tax.

This is because, in order to purchase the insurance company's single premium bond which forms the property in the trust, the investor may crystallise a major liability to CGT by selling off shares and other assets showing a capital gain in the course of a single tax year.

This is not an issue to which insurance brokers always draw attention. Several stockbrokers have complained that their clients have sold off shares to buy such a bond only to discover that the money in the bond has been drastically reduced by CGT and the standard 5.175 per cent commission paid to the insurance broker.

Some brokers claim that if large sums of over £50,000 are put into an inheritance trust, they will return part of the commission to the client, unless they have spent an unusually large amount of time on a case.

A more fundamental problem is that thrown up by all off-the-peg schemes, that they take no account of peculiar individual circumstances. If your son has become a punk rocker and you want to vary the amount of money available to him according to his future behaviour, then don't lock away your wealth in an inheritance trust.

A similar problem may arise if your marriage is on the rocks or if you are about to re-marry and may want to leave some money in the trust to the children of your second wife or husband.

With inheritance trusts, you have to specify in advance what proportion of the property will go to each of your heirs. You have the power at a later stage to override these provisions and have the assets returned to you or re-directed elsewhere. You can make such an alteration only once and your range of options is always limited.

One of the quirks of CTT legislation is that if you disinherit one of the original beneficiaries and re-direct the assets elsewhere, he is deemed to have transferred money out of his estate possibly creating a liability of his own to CTT. So not only can you disinherit your daughter if she elopes, you can also use up her annual and 10-yearly CTT exemption.

When CTT was introduced, some accountants considered taking vengeance against Denis Healey and Tony Benn by making them the beneficiaries of a trust and then disinheriting them, to use up their CTT exemptions.

The shadow of the Labour Party hangs over the inheritance trusts. There is little doubt they would be attacked if Labour returned to power. Even the present Government may be persuaded to remove some of the tax advantages of the trusts, particularly their use of interest-free loans, if the tax loss they were causing became too great.

According to solicitor David Landau, a clerk to the tax commissioners: "The Inland Revenue is liable to attack any scheme which is being marketed on a large scale and which is artificial. I would avoid inheritance trusts like the plague."

He explained that the effect of recent court judgments against avoidance schemes and more specific anti-avoidance legislation in the 1975 Finance Act has been to give the taxmen a wide area of discretion. "If you are the one they decide to attack, it can be very painful and very expensive," he said. If you are compelled to unscramble your trust, you will still be obliged to forego the 5 per cent plus starting commission you paid.

By contrast, Mr Robert Venables, barrister and former Oxford University lecturer in tax law, feels that the Inland Revenue is unlikely to take comprehensive action against inheritance trusts under the present Government. But, he adds, some individual insurance company schemes have laid themselves open to attack by careless drafting and by insensitive advertising which makes it clear that many of the formal arrangements are artificial and designed merely to avoid tax.

The drafting errors, he says, occur mainly in the small print relating to the trustee's investment powers and the status of children. But they are sufficient to undermine the efficacy of the schemes. His advice is to get a solicitor to check the trust deeds before handing over any money.

The chief rival to the inheritance trust is the discretionary trust where the trustees, one of whom is usually the original donor, have almost complete freedom to decide when and to whom to distribute the trust assets. When the last Labour Government decided to impose a 10-yearly charge on the assets in discretionary trusts and a further charge on distributions from the trust, many people decided to wind up their trusts, possibly too hastily.

"The rush to wind up these trusts and get transitional tax relief was misconceived," says Derek Robinson of accountants Dearden Farrow. "The tax charge can be a lot less than people realised."

The attractions of discretionary trusts are that they can be designed to meet individual needs, are highly flexible and they allow the donor to control his investments rather than handing his assets over to an insurance company.

The main drawback is in the level of fees charged by accountants and solicitors for setting them up, these normally exceeding the insurance company charges — except when large amounts of wealth are at stake. For families with less than £100,000 in total assets (including house and insurance policies), the absence of such professional fees will normally give the off-the-peg inheritance trusts a decisive advantage in spite of their failings — unless the individual circumstances are unusual. For example, discretionary trusts may be the most attractive option for a bachelor who has not yet ruled out marriage, even if his wealth is below £100,000 but above the £60,000 CTT exemption limit.

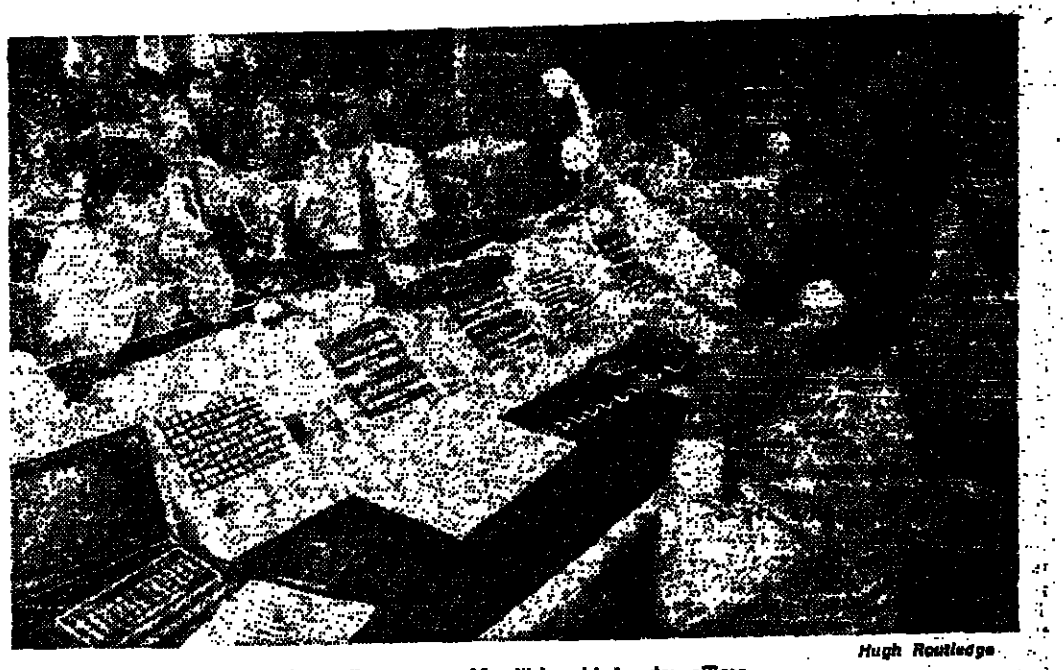
The other drawback of discretionary trusts is that they are subject to tax charges. One exception is where the beneficiaries are children. In this case, the taxes may be avoided, provided the children are allowed to receive any income from the trust once they reach the age of 25.

But in other cases also, the tax charges may be reduced to negligible proportions by a variety of devices.

Another inheritance trust scheme which will be unveiled by the Henderson fund management group towards the end of the month offers clients the opportunity to put their money into discretionary trusts within the framework of the scheme, as an alternative to the gift and loan trusts marketed by the insurance companies.

Clients will also retain some control over their investments by being allowed to switch between different funds within the scheme.

NEXT WEEK: The use of multiple discretionary trusts and further ways of cutting the CTT bill.



Hugh Routledge

The dealing room at Merrill Lynch's London offices

The American way of banking

A look at a new-style account which packages several financial services

THE WELL-HEELED investor who likes to deal in U.S. securities should look at a new investment and credit account which has recently crossed the Atlantic to Europe.

The key features of this so-called managed cash account are that it consolidates a variety of investment services into one package and keeps its clients' money working all the time.

In return for a modest annual fee and a sizeable initial investment in cash and securities, investors can expect such services as:

- Access to one or more money market funds, into which any idle cash is automatically reinvested.
- Access to securities dealing services. When stocks are bought, the cash is automatically switched out of the money market fund on settlement day to pay for the deal.
- Loan facilities. Borrowers can borrow against the market value of their stocks to buy more securities or to pay their other bills.
- Free chequebook facilities.
- Immediate access to all cash and credit on a daily basis, through Visa, American Express Gold Card or MasterCard Gold Card.
- A consolidated monthly statement, spelling out all transactions in great detail.

Merrill Lynch, the giant U.S. brokerage firm, led the way into managed cash accounts in 1978, and is far and away the market leader. At the last count, it had assets under management of around $75bn, spread through some 950,000 of these managed cash accounts.

No other firm approaches this scale of business. But Dean Witter, Shearson/American Express, Prudential-Bache and Paine Webber have between them quite a few billion dollars under management.

Merrill is also spearheading the international marketing of these programmes. It is already offering versions of the product in London, and Amsterdam as well as the Middle and Far East, and is planning further expansion in continental Europe.

Subject to local legislation, the firm is offering two sorts of account outside the U.S. One is very similar to the domestic product, except that the minimum investment in cash or dollar denominated securities is $25,000 rather than $20,000. The annual fee is the same, at $50.

The other version is designed for people who want to invest in dollar assets, but don't wish to pay withholding tax on the interest from their liquid funds.

Under this programme, spare cash balances are not put into U.S. money market funds. Instead, they are placed in a variable rate deposit account at the Merrill Lynch International Bank in London. There, they earn interest based on the one-week London Interbank Offered Rate.

Spare cash, the proceeds of stock sales, and interest receipts are automatically swept into the deposit account on a daily basis. And outgoings are deducted in the same way.

Merrill won't give details about the volume of this international business. But it claims to be pleased with the way things are going, and says that international investors are maintaining much larger accounts than their U.S. counterparts. Since the average client in the U.S. is starting off with around $40,000 in cash and securities, the firm must be pulling in some rather wealthy investors.

What are the drawbacks? The account can only handle dollar denominated securities, so it is no use turning up with your aunty's ICI preferred. The monthly statements are quite a mouthful—Merrill's average around five pages. A dollar-denominated checking account won't be of any use to many people. And finally, since the whole edifice is founded on computer technology, you may have to face moments of frustration.

Richard Lambert

UNIT TRUSTS

Driving the hedgers offshore

The launch of a currency-hedged fund this week exposes flaws in the Department of Trade's regulation of unit trusts

THE LAUNCH of a new-style unit trust this week, designed to protect the investor against adverse currency fluctuations, has cast doubts on the ability of the Department of Trade and Industry to supervise a rapidly changing financial services industry like that of unit trusts.

The Fidelity Sterling American Fund has been forced unwillingly to base itself in the Channel Islands, rather than the UK, thus creating a tax loss for the Inland Revenue. This is because the Department of Trade and Industry has refused to allow it to use the cheapest and most efficient means of hedging against a fall in the value of the dollar.

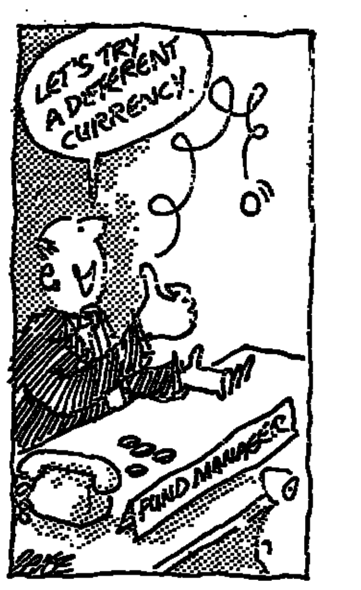
The irony is that the reason for giving the Department of Trade and Industry the power to supervise unit trusts was to ensure that small investors would not hand over their money to unscrupulous or irresponsible operators who would take unjustifiable risks. But the effect of the DTI's decision in this case has been to deny unit trust managers a way of protecting investors against a major source of risk.

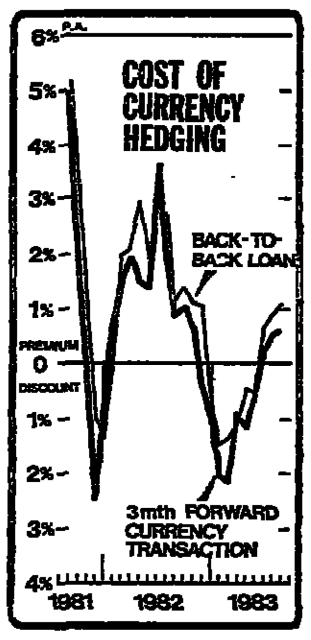
Ever since the stock market slump of 1972-74, unit trusts have often been viewed as excessively risky for families with only a small amount of savings. As Andrey Head, chairman of the Unit Trust Association, admitted recently, unit trusts — in spite of their recent sales boom — have not succeeded in extending their appeal beyond a narrow section of the population.

In the past four years, unit trusts have been adopting a riskier profile by tending to specialise in particular sectors of the economy or in just a few overseas equity markets. The unitholders in these specialist funds have generally been even wealthier and more financially sophisticated than the average unit-holder.

In principle investing part of a portfolio in a large economy such as the U.S. or Japan ought to be much less risky than investing everything in a single economy, the UK. Thus broadly based international portfolios, with only a small weighting of shares in the UK, ought to be more, not less, attractive to the small investor.

In practice, however, the risks of investing abroad are compounded by an additional factor, currency fluctuation. A general rise in the level of sterling can more than wipe out any underlying profits made in overseas equity markets, because it will reduce the sterling value of foreign share prices.





In a survey on these pages three weeks ago, most unit trust management groups said they believed they could outguess the world currency markets and add to the value of their clients' investments by increasing or reducing their exposure to a particular currency (in that case, the dollar) at the appropriate moment.

In fact the record of both unit trust managers and currency forecasters over the past 18 months has been poor. Most would have been more successful if they had made their decisions by tossing a coin.

But, as was pointed out, no unit trust management group was willing to offer its investors a U.S. or other overseas fund which would remain fully and permanently hedged against currency fluctuations.

On Tuesday, however, just such a fund was launched by Fidelity International, an offshoot of the U.S. fund management company which broke into the UK unit trust industry four years ago.

The Fidelity Sterling American Fund has been set up effectively to allow investors to put their money into Fidelity's two other U.S. unit trusts while receiving 100 per cent protection against any fall in the value of the dollar

The fund will invest half its funds in the Fidelity American Trust and half in the Fidelity American Special Situations Trust. The two trusts have achieved returns of 226 per cent and 120 per cent respectively in the four and three years since they were launched.

Unit-holders who like to take a more active view of the dollar's exchange rate will be permitted to switch between the hedged fund and the other two funds free of charge up to a maximum of four times a year.

The entry charge to the Sterling American Fund will be only 5 per cent instead of the usual 7 per cent. This is because the fund is based in Jersey and so no stamp duty is payable. Unler a special offer during the launch period—until September 20—this charge is being reduced to only 3 per cent.

There is also an annual administration charge of ½ per cent per year plus the costs of hedging the dollar. According to Fidelity managing director Richard Timberlake, these are unlikely to add up to more than 1 per cent per year.

The fund will be able to use all three available methods of currency hedging, selling dollars forward, taking out back-to-back dollar loans or using the financial futures markets. The graph shows that over the past two years the cost of hedging the dollar has varied, in line with the difference in interest rates between the UK and the U.S.

But for most of the time selling dollars forward has been cheaper than the traditional unit trust method of hedging, which is achieved by taking a back-to-back loan. Selling forward is also a more flexible method of hedging and is easier to administer.

The Department of Trade and Industry, however, has so far refused to allow Fidelity to hedge currency risks by selling forward. After seven telephone calls to the ministry, the only response the spokeswoman was prepared to make to the Financial Times was: "Unit trusts are supposed to be for the small and unsophisticated investor."

John Manser, the investment director of Save and Prosper, the largest unit trust management group, spent several months seeking to persuade the DTI to allow this form of hedging—in vain. He recalled a similar, although ultimately successful, battle to win approval to use traded options for hedging purposes, in that case applying to certain UK equity prices.

"The trouble is that there is no one there who has the knowledge or resposibility to act creatively," he said. "Anything which is new is regarded with the deepest suspicion." He also referred to the report on investor protection due this autumn from Professor Jim Gower. "This raises the Gower idea of self-regulation by each industry," he said. "There is a problem when one side is dynamic and the other, which is supposed to be supervising it, is not."

Even in a legal sense, the DTI is on shaky ground. The Prevention of Fraud (Investments) Act, under which it acts, does not rule out the use of selling currencies forward to hedge, even by implication.

Clive Wolman

PROPERTY

Gone fishin' ... for gracious living on the French Riviera

BY JUNE FIELD

WE TOOK the water bus to the baker's shop in the Place des Artisans to collect a traditional *Gâteau Tropezien*, a rich sugar-topped cake with a creamy-custard filling.

And from the market in the square at Port Grimaud in the south of France, came the other ingredients for that evening's party in one of the fisherman's cottages where the tiny gardens are at the water's edge, and the narrow streets are car-free. (Vehicles have to be parked at the entrance to the village after luggage has been delivered.)

This was Port Grimaud over the weekend, an enchanting pastiche of considerable flair somewhat unkindly referred to in the Michelin *French Riviera* guide as "a modern copy of a fishing village inhabited by sophisticated non-fisherfolk."

Nevertheless, its creator, architect François Spoerry maintains that the houses were originally intended for the fisherman and his boat. (The living room floors of the early cottages built in the late 1960s such as the one owned by Francois sister Anne, a "flying doctor" in South Africa, were specially strengthened to take the weight of the Mediterranean craft known as a *pointa*.)

He explains that the whole idea was born of his longing to have a little house right on the sea, with a boat outside the door: "But I did not want a soulless housing estate, I wanted to create a proper village with a heart."

The austerity of the Mitterand regime does not appear to have affected the allure of the Côte d'Azur as far as the British are concerned. At Port Grimaud I visited Laura and Bernard Ashley, those world-famous revivalists of the pretty Victorian print in furnishing and fashion, who have just bought a villa to do up next to Spoerry's house on the main lagoon. (Their Chateau de Remaisnil, that they were selling for FFr 5m in November 1981, was finally bought within the company).

I met several company directors and their families from the UK who had recently bought on Grimaud "because there is a certain style and quality of life in Provence that no other Mediterranean area can match."

Although the waterside homes are still in the £90,000 range, in the new phase, studios without moorings are from around £31,000. Details from Susie Ogilvy, Montpelier International Properties, 17 Montpelier Street, London, SW7 (01-589 3400), or through their resident director Nicholas Beutler, who lives in part of a chateau in the French countryside and can be telephoned on (94) 495824.

For details on tiny "starter" villas about £24,000 being built into the side of the hill at Miramar, ten minutes walk from the sea, contact Tim Sanders, another Montpelier representative who lives nearby, on (93) 58 67 89, or through their London office.

Well away from the bustle of the coast road, we drove along winding roads beneath olive trees clinging to steep slopes. This is where Dirk Bogarde lives in an old honey-coloured Provençal farmhouse at the back of Chateauneuf; and Roger Moore has a house near St Paul de Vence, where on the magnificent terrace of the Colombe d'Or we had dinner, after watching the locals play *pétanque*, the outdoor bowling game.

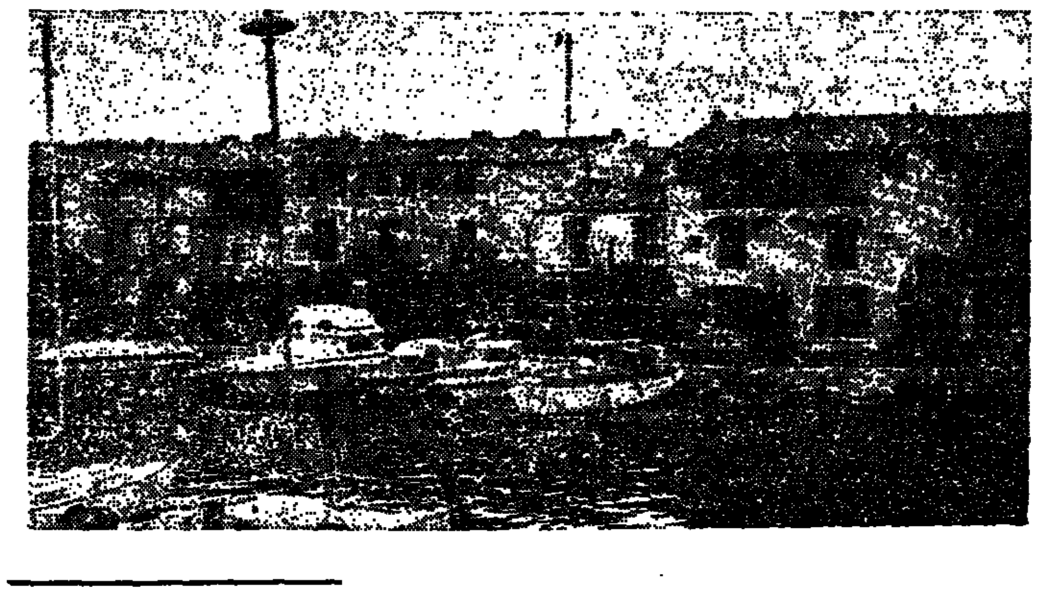
Stuart Baldock, who runs the *Société Anglo-Francaise Immobilière* (SAFI), member of the French Real Estate Federation, handles many of the romantic pink-washed villas for sale in this area; prices roughly are from £100,00 for a place, depending on whether it includes a guest cottage or staff quarters, swimming pool and some land.

SAFI's portfolio of properties, from 10 Avenue de la Libération, Antibes, ranges from small apartments in the modern blocks of Cannes Marina, under £30,000, to the handsome 17th century Chateau des Valettes in 50 acres at Tourrettes sur Loup, being handled on behalf of De Groot Collins in London, at $4.5m.

Fully restored in character, one can well imagine the 18th century hunters who used to frequent the castle, roasting their deer and wild boar in the vast fireplaces.

If you need an "after-care" service when you have bought in the south of France, Stuart Baldock also runs Mediterranean Property Services, which for a fee looks after everything from calling the doctor in case of emergency, stocking the larder with local produce before you arrive, to paying the bills when you are away.

If you want a London contact, SAFI also works with Chestertons' Kensington High Street office.



LEFT

Latest phase at Port Grimaud, South of France, where lagoon-side villas with boat moorings sell from around £90,000, and studios without moorings are about £31,000. Brochure from Susie Ogilvy, Montpelier International Properties, 17 Montpelier Street, London, SW7 (01-589 3400). PHOTOGRAPH TREVOR KENYON.

RIGHT

Chateau des Valettes, Tourrettes sur Loup, near the river, about 25 minutes from the coast and Nice Airport, with 50 acres, guest lodge, staff quarters, swimming pool, tennis court and a pretty terrace overlooking formal gardens. For sale at $4.5m through SAFI, 10 Avenue de Libération, 06600 Antibes, France, in conjunction with Cliff Krieger, De Groot Collis, 9 Clifford Street, London, W.1 (01-734 1304). PHOTOGRAPH TREVOR KENYON

Anyone who is considering buying property, whether on the Riviera or back from the coast, should read *Living in France Today*, just published by Robert Hale at £8.95.

It is by a solicitor writing under the pseudonym of Philip Holland. "I spoke to him in Nice, where he lives with his part-French wife.

Described in detail are the ramifications of buying on plan (*en éat future d'achevèment*), the need for the *attestation de non-residènce* so proceeds of a sale can be exported when you come to sell, and the system of *copropriété*, or condominium ownership, where a block of flats or a development of houses have a number of things used in common by all the owners—roads, drains, swimming pools and so on.

Particularly valuable is the explanation of the job of the *syndic*, who undertakes the management for the owners, ensuring that all the services work satisfactorily at an equitable cost.

Membership of the Mediterranean Property Owners' Association, which Mr Holland helped to set up, is recommended. It is a company incorporated and administered in the UK, but with qualified representation in France including the services of a *notaire*, official empowered by the government to convey title.

The subscription is £250 a year, and to find out what you get for this, send for a leaflet to Peter Stocker, director, MPOA, 31a Thayer Street, London, W1 (01-487 4973) to whom inquiries can also be made about the book.

I took a look at a recent report of a meeting held for the owners of a block near Nice, where the provisional budget for the present year was agreed at an increase of less than 10 per cent, considered reasonable given the present rate of inflation which is around 9 per cent.

This included payments for the *gardienne*, fixed by law and indexed, an alarm system for the lift at around Fr 25,000, and estimated charges for water, hot and cold.

Very important this, because if the total consumption of water (charged at two different rates), exceeds the amount stipulated in the contract at the agreed price, the excess has to be paid for at a penal rate.

Dodgy journeys in Zaire


The Mountains of the Moon

TRAVEL

LYN OWEN

WITH LITTLE drifts of African dust playing about my feet it and 25 bales of cotton, were waiting under a banyan in a little aero cargo yard in the less salubrious outskirts of Kinshasa. We were going to be shipped to the Mountains of the Moon, in Zaire, the ex-Belgian Congo.

Looking about me I saw a handful of Zairois, some in rags, some in abas-coats—a kind of psychedelic Mao jacket whose name means "down with Western dress."

A *citoyenne* correct revolutionary address in this French influenced dictatorship, was collecting fares—huge casefuls of five Zaire notes—which had suddenly become by arbitrary degree the only valid currency. She wore the latest in African hairstyles, *de rigeur* for cadres of the Popular Revolutionary Movement, the only party permitted in the State. Its uniforms, down to the hairstyle, are set by its leader, the country's dictator, General Mobutu. He has currently decreed for women a sort of Beano-like explosion of standing-on-end plaits topped off by knobs. All my cash had just disappeared into her suitcase. The sudden demonetarisation had closed—indeed bankrupted—all the banks, thus making my cheque useless. I was launching myself across a thousand jungle miles penniless, and with no certainty of return. No wonder Zaire's travel slogan for the volcanic mountains runs "*prodigieuses visions d'enfer.*"

Travelling anywhere in Africa can be hard. Even getting this far had required something of an effort. Six weeks visiting the Zaire embassy in Belgravia yielded no word from Kinshasa and no visa. Their Brussels embassy, scared by distant news of one of Zaire's frequent bouts of riots and political assassinations, was surrounded by barbed wire and 18 armoured carloads of mitrailleuse-toting Belgian police. Nothing for it but to arrive visaless and blearily in the early dawn of Kinshasa's Njili airport, to be pounced on by touts and militia and held eight hours until the situation could be resolved.

Formalities completed, I took to the air. This in itself is an experience.

I shared a seat with a chief in homburg, Hawaian shirt, gold jewellery and shorts. He was richly accoutred with Harrods pigskin briefcases and electronic gadgets, and carried for the blazing sun a large umbrella. Bagged in the cargo nets in front of us, but still skidding around somewhat terrifyingly, were his 26 padlocked red tin trunks. These contained, so loose talk had it, some 50m Zaires to be turned *into something more solid* before news of devaluation reached the more distant parts of the country.

As five hours later volcanoes materialised beneath us draped in swatches of cloud, and the wide blue empty waters of Lake Kivu with its palm grown promontories studded with small round huts, I felt the risk was worth it.

Kivu offers a water and mountain landscape finer than Rio or Hong Kong, and empty. It is dotted with elegiac eucalyptus plumes and clothed with miniature woodlands.

Long-horned African cattle roam through it. Silky little goats lurk in rich green tropical valleys and terraces, among waterfalls and round thatch huts buried in palms. Whole trees are blazoned with violent bloom of the shapes and colours of science fiction fantasy.

Goma, where you land, was once a Belgian lake resort. Now the hungry tribes of the surrounding mountain areas have descended on it, to escape the havocs and wars and bandits of a trouble-torn region—and to escape the volcano Nyaragongo. Its eruptions have half pertified the woods about Goma. Trees are turned to stone to a level of 4 to 5 ft.

Above that, macabrely, some are still growing. In spite of its air of dereliction and siege, shops barricaded up, *markets bereft of food*—Goma still boasts two hotels. One, the Karibu, built in days of hope, appears like a mirage. It is a fantasy out of James Bond, islanded in a lake and volcano panorama, with all the sunken-lounge, teak-vaulted, tropical-planted glamour of a 1960s filmset.

Since this was built, Zaire has fallen on harder times and acute shortages—not least of petrol. So any sojourn in these parts will interleave acute pleasure with frustration, farce, and danger. Taxis, such windscreen shattered ones as exist, dislike taking to the potholed devoured roads. They may be ambushed by local banditry or even police or military in desperate search of fuel.

One hotel guest had tried to ease the problem by hiring a car. Paying ransom for it was a more accurate description. A rusting heap of tin, it had cost, I was told, two hundred pounds for a week. Extended—kindly—a share in this unusual luxury—I gained some insight into local life. When the hirer and I met to take a ride in the vehicle, it was to find it already almost full with the owner and his friends. More: a queue had formed outside it, squabbling vociferously, urging prior or needier claims to transport to those already installed.

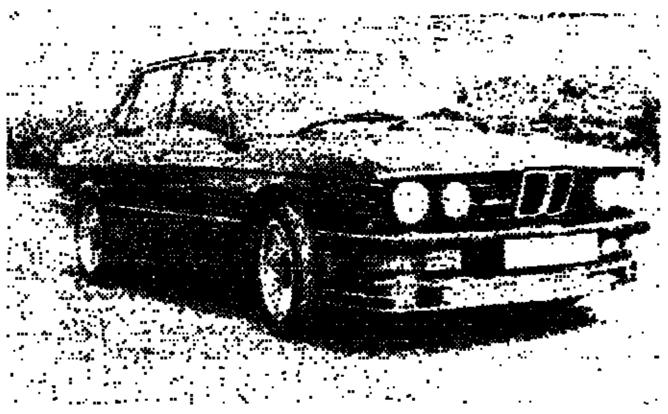
Eventually like many travellers in Zaire, I had abandoned the idea of making progress on the ground in favour of the air. Those seriously trying to get from place to place in the region charter themselves a little light aircraft. I was not surprised to be told these worked out cheaper than hire cars. With charterer and baggage on board they often left room for a passenger—*provided they carried only the* minimum of luggage; and so I become an aerostop hitch-hiker.

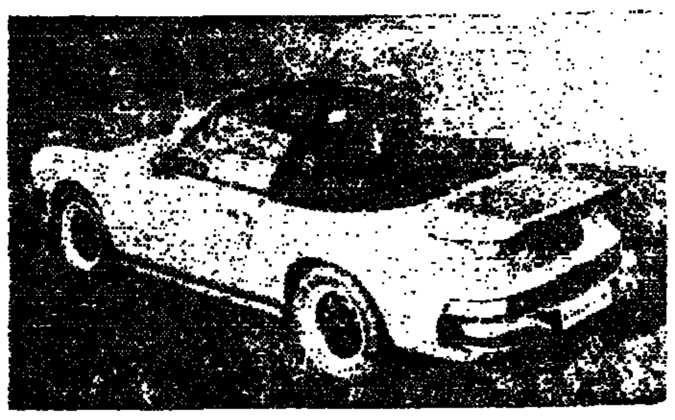
I thus floated in cavorting Cessnas across the volcanoes and the dwindling game parks to Rwindi and the Ruwenzori and the wild borders of Uganda. En route I met pygmies and 7ft 6in Watutsi, mercenaries and lions; and I had reached one of the sources of the Nile. I had watched hippopotami at dusk at the hot springs of Mayamoto, outlined against that haunting lunar skyline and breakfasted on pilapia fish and piri piri among marabou on the shores of Lake Idi Amin.

Then I ran out of aircraft, and it was necessary to travel back through the magic mountains — by local bus. The roads are littered with derelict vehicles stripped for the smuggled coffee, gold, ivory and diamonds they carry—and, more precious still—their spares. Even buses are not immune from ambush, should they inadvertantly stop. They are of course packed like cattle trucks—an apparently unbelievable number of arms and some times legs protruding like bunches of bananas from windows.

Not quite the style of Livingstone or David Attenborough, but enough to return me to Kinshasa and, eventually, a somewhat less remarkable home.

● Arthur Hellyer will resume his gardening column next Saturday.


BMW-ALpina B9: Super-fast five-seater that is so flexible in town.


Porsche 911SC Cabriolet. The ultimate open-air fun car for the rich.

Two supercars from Germany

MOTORING

STUART MARSHALL

BOTH CARS are capable of reaching twice our motorway speed limit and can be used only as their makers intended in that derestricted oasis of the western world, Germany. In Britain, they must be considered an open invitation to loss of licence. Yet, perversely, I enjoyed them more than any *other cars I have driven this* year.

They were the BMW-Alpina B9 and the Porsche 911SC Cabriolet, both supercars but at different ends of the spectrum. The Alpina is a completely practical, indeed luxurious, five-seat businessman's express with ample luggage space. The Porsche 911 soft-top is the ultimate in fun cars—a car you take out for the sheer pleasure of driving it.

Figures give no hint of the Alpina's attractions. For the record, it goes from a standstill to 60 mph in 6.5 seconds (the same as a Jaguar XJS-HE) and peaks at between 145 and 150 mph. It was still accelerating strongly at 135 mph when I drove it on the new piece of the A26 Autoroute between St. Omer and Calais before it was open to the public. It was quiet enough at this speed for the BBC man to continue recording an interview in the back.

In town, it is incredibly flexible—almost a one-gear car, in fact. From 25 mph (under 1,000 rpm) in fifth it pulls smoothly away. In the same gear it climbed Dover Hill unprotestingly. The clutch is not in the least heavy, the gear change is silky and the power steering is needle sharp at speed, effortless when parking. The 50 series Pirelli P7 tyres give tremendous handling and roadholding and jar only a little on potholed roads.

Wind noise is subdued until you open the sunroof. It needs a deflector, because there is a lot of buffeting at anything over 50 mph. Not that the sunroof is really necessary: the air-conditioning coped with the summer heat beautifully, especially with the rear edge of the roof tilted up to increase throughput. The bottom-squeezing Recaro seats are fairly hard but proved comfortable.

In essence, the Alpina is a BMW 528i fitted with the BMW 3.5 litre, fuel-injection engine tuned to provide 245 bhp instead of the normal 218 bhp. It costs £22,894, can be serviced by any BMW dealer and, driven at lawful speeds, will return mid-20s mpg figures.

Whereas the Alpina is a senior manager's saloon though exceptionally fleet of foot, the Porsche 911SC Cabriolet is the triple distilled essence of what sports cars are all about. It is a survivor. Who at Porsche in the early 1970s could have believed that their classic, rear engine, air cooled car would live on into the mid-80s, with production struggling to keep up with demand? All their other cars now have liquid cooled front engines.

In our golden August the 911SE Cabriolet was a magic carpet. Hood down and in short-sleeves, I drove in the cities, on motorways and through country lanes with equal pleasure. It's a car that fits you like a favourite suit and there is almost an animal quality about it, so eager is its response to hand and foot.

I didn't have an opportunity to take it over 100 mph, at which the wind noise began to overwhelm the radio but was otherwise tolerable. One thinks it, rather than consciously steers it, round corners. For so short a car the ride is surprisingly soft and comfortable. Again, 50 series Pirellis offer poly pony directional change and so much traction I couldn't get them to squeak under hard acceleration. It is a beautifully built car, with masses of luggage space under the front bonnet and behind the seats. Four people can just be squeezed in for emergencies. The price is £22,553.

From past experience. I know the 911SC is not a car to be fooled around with in the wet. But it rewards a reasonably skilled hand on the wheel with a kind of motoring drivers of lesser cars can only dream about. Used with moderation, the Porsche gave me 25 mpg. Its maximum speed is 146 mph (hood up) and 0-60 mph acceleration takes 6.5 seconds.

If I were rich, which would I have—Porsche or BMW Alpina? Dammit, I'd have them both.

The Toyota Corolla

The name is the same but the car is all new. Toyota have adopted front-wheel drive for the latest Corolla, which went on sale in Britain this week, 17 years and 10 million units after the first one appeared. The transverse engined, 1.3 litre Corolla bears a strong family resemblance to the 1.8 litre Camry. It has all-independent suspension, a choice of delicately-positive five-speed manual or three-speed automatic transmission and four-door saloon or five-door hatchback bodywork. Prices are from £5,133 for the manual saloon to £5,606 for the two-pedal hatchback. The Corolla equals the best European standards of handling and roadholding in the family car class and has agreeably supple suspension. There is also a Corolla estate with four passenger doors and five-speed gearbox at £4,991. It has the old model's rear-wheel drive —hence the lower price.

COMPANY NOTICES

Canadian Pacific Limited

NOTICE TO SHAREHOLDERS

A Special General Meeting of the Shareholders of this Company will be held on Wednesday, the 12th day of October, 1983, at Le Château Champlain, Place du Canada, Montreal, Quebec, commencing at 11:00 a.m., Montreal time, to consider and, if thought advisable, to pass, with or without variation, a resolution approving agreements respecting the acquisition by the Company in partnership with Canadian National Railway Company of certain Canadian assets of Consolidated Rail Corporation and authorizing the Company to petition for supplementary letters patent in connection therewith. The proposed resolution is set forth in Schedule A to the Information Statement sent to shareholders.

The transfer books of shares and stock will be closed at the close of business on Tuesday, the 4th day of October, 1983 and will be reopened on Thursday, the 13th day of October, 1983.

The Board of Directors has specified that the time before which a shareholder intending to vote by proxy at the Special General Meeting or any adjournments thereof must deposit his proxy with the office of the Vice-President and Secretary at Montreal, Quebec, shall be 5:00 p.m., Montreal time, Friday, the 7th day of October, 1983.

By order of the Board,

J.C. Ames,
Vice-President and Secretary.

Montreal, August 8th, 1983.

Labour leader's secret diaries

BY MALCOLM RUTHERFORD

The Diary of Hugh Gaitskell *1945-1956* edited and introduced by Philip M. Williams. Jonathan Cape. £25. 720 pages

On October 6 1954 Hugh Gaitskell resumed his diary after an interval of nearly three years. "It is not a personal diary about my own thoughts and feelings to any great extent," he wrote then, "but a political diary, and therefore I quite ruthlessly try to restrict it to what people regard as important events." And it is true that the entries are erratic.

The diary begins in 1945 when he first became an MP and the last surviving entry is on *October 9 1956* — just before Suez. (The word "surviving" comes from the editor, Mr Philip Williams, who thinks that the entries must have gone on, but have been lost.) In the meantime, there is almost nothing about Labour's defeat in the general election of 1951 and very little about his own succession to the leadership.

It is also true that the diary offers nothing that has not been available to scholars for some time. Mr Williams drew on it extensively in his own excellent biography of Gaitskell published in 1979. Yet biography is one thing; letting the subject speak for itself is another. The diary is riveting throughout.

It is not as impersonal as Gaitskell suggests, either. The most outstanding example is the description of his feelings on the death by drowning of his friend and fellow Labour MP, Evan Durbin, in 1948. But there are others: for example, his own excitement when he learned in New York that he was to become Chancellor of the Exchequer and went dancing in Greenwich Village before the news was generally known.

Nor are the entries about people entirely without edge. "*Michael Foot is rather strange,*" he wrote in 1948. "He never seems to talk except when making speeches." *As for Jennie* Lee, Aneurin Bevan's wife, he always thought her a "very stupid woman." Moreover, he did not always hide his contempt for some of his fellow countrymen from foreign visitors. Krushchev once said to him that surely an Anglo-Soviet committee that had the Dean of Canterbury at the head of it could not be such a bad thing. Did the Labour Party really say that people really disapproved so much of Dr Hewlett Johnson? Gaitskell replied: "Yes, indeed we do and, not only that, most people regard him as a lunatic as well."

Bevan is said at one stage to have called Gaitskell "a desiccated *calculating machine,*" but the latter was obviously very much aware of the possibility of the charge *from the start.* "I am afraid most people think I am much better at solid arguments and statistics than at political invective," he recorded in 1948, "and I am afraid they are quite right."

About the solid arguments there could be no doubt, but the *invective was to come later.* See, for instance, his letter to Cassandra of the Daily Mirror complaining about his treatment of the Labour Party. Rarely has one read such controlled passion.

As is the case with many politicians, his attitudes to the Press were rather ambivalent. In 1949 he wrote of his increasing hatred of journalists and again, a few pages later: "How I detest them!" But he was not above writing letters to *editors to protest,* and when he became leader and began to give journalists his own briefings his attitudes started to change. In other words, he had learned to manipulate the news and comment in his favour.

He was fascinated by an idea of Cecil King who *suggested at a lunch that the Mirror* Group might buy the News Chronicle and turn it into a *sort of Daily Telegraph of the* left. But then he noted in his diary what a "curious" man King was. "*He started a rather* silly line about the Civil Service — weren't they getting too powerful?"

There, in a way, is the essence of Gaitskell as it emerges from the diary. He had himself all the best attributes of the civil servant and felt fully at home in their company. No opportunity to praise *the service is* missed, except perhaps the Foreign Office on which he took the conventional view that it was excessively pro-Arab.

Here is one revealing entry after he had chaired a succession of international conferences: "I like being chairman. It is a thing I do very easily and without much effort. In fact I have never understood why everybody cannot be good at being chairman." And it was the inability to chair a meeting for which he frequently criticised other politicians, including Attlee.

The business of electoral politics, by contrast, gets much less coverage. Gaitskell dismissed the 1951 *election* in a few lines. "There is not really much to say about the election. It was *the first one in which I* had had to travel around and that made it rather less dull. But it was dull all the same. It is intolerably boring having to say more or less the same thing so many times, even if the meetings are different." His comment on the result was simply that he had told his wife that he had expected the Tories to win a much larger majority than they *did.*

And yet there must have been some consuming personal political ambition underneath. Possibly the diary was used to conceal this rather than to confide it. There may be a possible confirmation of this theory in the space he gives to the succession to Eden.

Like many politicians Gaitskell was fascinated by, but largely ignorant of, what was happening in the other main party. He relied for his information on journalists and Tory hostesses. As a result, he sensed long before Suez that Eden was in trouble and that Macmillan was the likely successor. But it was the interest he took in this kind of affair that is so striking.

One is left with the impression of a slightly peculiar psychology behind the diary writing. It cannot be right that a second, even third hand account of events in the Tory Party is a more "important event" than the first hand account that could have been given of the succession to Attlee. But that is a small *complaint.* The biggest regret is that the rest of the diary, if it existed, should have been *lost.*

Hugh Gaitskell as Chancellor, 1951—his newly published diaries are reviewed today

FICTION

Rushdie goes to Pakistan

BY ISABEL QUIGLY

Shame
by *Salman Rushdie. Jonathan* Cape. £7.95. 287 pages

Scandal
by A. N. Wilson. Hamish Hamilton. £8.95. 233 pages

Sirens
by Edwin Mullins. Secker and *Warburg. £8.50. 240* pages

Magic
by Janice Elliott. Hodder and Stoughton. £7.95. 192 pages

Love and Glory
by Melvyn Bragg. Secker and Warburg. £7.95. 252 pages

Four of my five novels have abstract nouns for titles, and the fifth *(Sirens)* also stands for an abstraction (bombing—with perhaps a touch of sirenish allurement as well). Does this suggest an interest in the metaphysical, a shift from "mere" realism, a taste for substance at the expense of accidents? Maybe.

Shame uses the extraordinary technique Salman Rushdie used full-grown in *Midnight's Children.* Modern events and recognisable people are given mythological treatment, transformed into figures comic, absurd and outsize, whose daily lives are led within a framework of the divine and the terrible, the supernatural and (at all levels) the metaphorical. The shame of the title is all kinds of things, but mainly *pudeur* unknown, or at least neglected and despised, in *the West; the action takes place* in modern Pakistan, where a Bhutto-like figure is overthrown *by his army protege, a Zia-like* rival, the pair linked by family connections and entanglements; *and the whole thing is written* with a vigorous disregard for fictional convention but allows snatches of autobiography and all kinds of non-fictional asides to enrich an already highly-spiced narrative.

Since *Grimus,* his neglected first novel, Rushdie's gift has been *bubbling* and *boiling. Shame* uses fantasy as a satirical device, one of many in his *conjuror's box, and foreign to* the ebullient but exact descriptions of political horror in this *novel, just as English is foreign* to the dialogue, which reads amazingly, amusingly. Unlike *much ebullient, highly spiced* (etc, etc) writing, *Shame* is funny and very readable, able to *make its myths functional, not* ornamental. Art seems to take over from life in a more *concrete way than usual: never* again shall I hear the everyday news from Pakistan without *feeling something of the tremors* set off by Rushdie.

A. N. Wilson glitters, as ever. *Scandal* shows his gift for dealing with the murky, stupid, unfocused corners of life, the bedraggled spirits whose progress is all confusion. These he manages better than the straightforward targets of satire: his fat, dull, social-climbing politician, subject of quite small-scale domestic comedy (by comparison with *Shame, at least*), and *object* of a straight-faced cool-eyed attitude from his creator, is almost hazy, one cannot decide whether or not to pity him, like him, dislike him. But the funniest thing in the story isn't parliamentary drama but the relations of Bernadette, the prostitute, well-meaning blackmailer, and as unlibidinous as Paddington Bear, with the Social Security office.

Wilson writes elegantly on *anything: scandals as far*-fetched as this one have rinsed politicians out of Westminster several times in the past two decades, but no direct comparisons are made. This scandal *is a peg for the unsmiling* comedy of manners and even more of morals this author has *made his own.*

Now that only the middle-aged can remember it, the last war is barnacled with myths. *Sirens* is about a small boy's war in Epsom, as he lives consciously through his private myths, well aware of greatness around him: London burning in the distance, random local raids, mysterious loot from the sky—shrapnel, parachute silk, an iron cross. Above all, there is a sense not of disaster but of glory:—

"To Tom it was as if the circus had come to town. War was a piece of hazardous but magnificent theatre; it was amazing, almost magical, a *blossoming of precisely those* growths of a child's experience that held most meaning and most attraction . . . part of the essential tingle of life."

If the narrative had stuck to Tom's eye view, to that essential tingle so beautifully conveyed *at times, it would have kept its* unity of outlook and feeling. But through his mother, Tom is *the grandson of Russian* emigrés, grander and more glamorous than his father, and *their world with its* (very different) eye-levels share the war with Tom's. Adult *experience dilutes and diminishes* the child's. A pity, because Edwin Mullins writes so well and with such a sense of place and time when Tom is on his own.

Janice Elliott's novels vary amazingly, and *Magic* is one of the lightly handled, elliptical sort, a *jeu d'esprit.* Sir Oliver lives on an offshore island, and plans an elaborate deathbed joke, the last of many in a life spent wheedling, charming and exasperating others. *Summoned for farewell, the remnants* of a lifetime's relationships arrive, family, friends, *lost loves, and a girl on the* same psychic wave-length as the sly, re-incarnated Oliver, who *can (he claims) recall or take* off into any number of other existences. The magic is linked *with island places and happen*ings and their denouement involves (alas, I felt) those purveyors of modern magic, a television crew. By the end, it resembles nothing so much as one of the Ealing comedies, mingling fey doings and realistic sets, comic rustics, *delightful* eccentric others, a touch of the supernatural, and some very pretty natural scenery.

Love and Glory, Melvyn Bragg's rather dogged novel, comes to life only now and then, when it changes location. When its hero, Willy, is in London, unsure of his position in the television company where his protégé is now his boss, wretched at home with a drunken and apparently unloving wife, playing second fiddle to a brilliant actor friend, who obsesses the girl he is obsessed with, things are dullish.

But when Willy goes back to Cumbria—his childhood home, source of strength and sustenance — everything changes, *the style becomes almost dis*concertingly better to match the altered mood, observation *is sharp, feeling suddenly has* meaning, the whole thing springs to life; and the mother's illness and last-page death seem touching, eloquent, and true.

Rushdie: will he win the Booker twice?

Colin's career

BY ANTHONY CURTIS

Inside outsider: The Life and Times of Colin MacInnes
by Tony Gould. Chatto and Windus/The Hogarth Press. £12.50. 261 pages

His mother was Angela Thirkell. His grandfather was J. W. Mackail, the classical scholar. His cousin was Rudyard Kipling. His great-grandfather was Burne-Jones. Hence the expression "Inside outsider"—his own. His father? He was James Campbell McInnes (Colin inserted the a into Mac later), a fine singer much in demand by musical hostesses before World War One. He was 16 years older than Angela who bore him three children: Graham, Colin and a daughter who died. The war spoiled James's career who became an alcoholic and took to having male lovers.

Angela divorced him and married a handsome Australian officer, George Thirkell ('Thirk' to the boys) by whom she had another son, Lance. They all decamped back to Australia. Colin was brought up there with his brother and step-brother, attending a public school in Melbourne. Eventually the marriage to Thirk failed too, and Angela returned to her parents' home in Kensington where she began to write her two broken marriages out of her system.

Meanwhile Colin, though he was clearly very bright, decided he did not want to go to university. Instead, through a family connection, he acquired a job with a company whose shares are still quoted every day in this paper, Imperial Continental Gas. Colin was only 17: the advantage to him of his job was that he lived in Brussels, perfected his French, and in his leisure time enjoyed the conversation of Belgian painters.

Then came the thunder-clap. Graham on his own initiative re-discovered their father whom Angela had not let them see again. He was alive and well and living in Toronto as a reformed alcholic and still in reasonably good voice. A reunion between Dad and the boys followed; and they switched back to the surname of their birth. As for Colin, after a few by no means unsuccessful years with IC Gas, he felt he had had enough.

World War Two soon provided him with an alternative occupation. With his quick grasp of a complex situation and his language flair, he was a natural for the Intelligence Corps. He did not become an officer but he had some fairly tough and responsible assignments in Germany as the Nazi empire was crumbling.

After the war it was Colin's turn to become a writer. He began as *an art critic on the* Observer but resigned after a row with the then editor Ivor Brown. *Soon came the novels,* the best of which *City of Spades* was his memorial to his great attachment to the new black community of Notting Hill. Then the emergence of MacInnes as a broadcaster and interpreter of popular culture in a *series of essays and* reviews. It is in this guise, as a journalist in the Orwellian tradition (writing *about music* hall, pop, publishers, police), that MacInnes's lucid and subtle talent came *into its own.* Needless to say MacInnes's life-style, gaily bohemian, and his *success as a novelist,* totally estranged him from his mother who cut him out of her will.

I wish I had had the benefit of reading Tony Gould's perceptive, scrupulously researched *biography before* I met his subject. With me as with many people he was as prickly as a porcupine except towards the end when he used to come into my office for some reviewing; then he was always most agreeable. He had a habit when he delivered his piece, of standing *over you* while you read it, reacting to your reactions. "You're frowning, does that mean its no good?" he would say. But his little foibles were worth putting up with. He wrote with depth and without jargon on matters that others lack the courage to tackle.

Raising the ante

BY JEFFREY MEYERS

The Biggest Game in Town
by A Alvarez. André Deutsch. £8.95. 185 pages

In the spring of 1981 Alvarez was commissioned by the New Yorker, where this book was first serialised, to cover the World Series of Poker in Las Vegas. He does not quite capture the unspeakable vulgarity in that fantasy capital of the world. The town is cut off from reality by the desert and encircling mountains, and by the air conditioners that encourage a timeless, hermetic existence. The casinos, run by drug dealers and Mafia chiefs, make more than a billion dollars annual profit. People play at higher stakes with chips than with cash just as they spend more with credit cards than with currency. The casinos tend to induce depression in the name of pleasure; and provide *a mad mixture of nostalgia for* pioneer values, deceptive optimism, manufactured thrills, forced jollity and all-too-apparent boredom.

Poker—the name comes from the medieval word for brag and bluff—is the only game in Vegas where you compete against other players, not against the house. What is the interest in gambling (and in this book) which draws men, as virulently as a junkie's addiction, to smoke-filled rooms, sullen faces and stilted chat? The fascination lies in the attempt to transform reality (the cards actually drawn) into the imaginative coup of winning in *impossible circumstances.*

Alvarez plays down the importance of luck in this high-*risk, high-return investment* and emphasises the significance of skill: "all of them know the *precise percentages offered by* every pot; at any point of the deal they can tell you which cards have already fallen, how many are left in the pack, how many will help them, and the exact odds on their making a hand." What counts beyond this is intelligence, insight, subtlety, courage and cunning. Most of all, since many of the players are former athletes who turned to gambling when they lost their physical capacity for sport. Alvarez stresses aggression, the competitive will to win, the obsessive desire to dominate your opponent and take his money. It would be interesting to know something of how both the casinos and the high-rollers cheat.

The stakes, both in and out of the championship, are extraordinarily large. Millions of *dollars sometimes* change hands in a few days. The gamblers work hard for their money, but *their potential earnings* are so great that the financial aspect becomes as unreal as the setting. Money has no meaning for them, as it does for people who go in for gradual accumulation. The roller-coaster flux of fortune permits the possibility of immediate recovery of their losses. The gamblers are as anesthetised to disaster as a boxer is to punches.

Stu Ungar, a 25-year-old from New York, and Perry Green, a furrier from Anchorage, eliminated the strong Texas *contingent* in *this* five-day contest and faced each other in the "all-Jewish" final. Ungar is a *monomaniac* who, like nearly all the best players, does absolutely nothing but eat, sleep and gamble. He always bets high ($100,000 on one *golf* hole) and risks everything he has. When he beat Perry and collected the $375,000 pay-off, the *television commentator* asked the obvious question: "What will you do with the money?" Ungar inevitably answered: "Lose it."

Dirty Dick—the debate continues

BY JAMES FRENCH

The Year of Three Kings, 1483
by Giles St Aubyn. Collins. £11.95. 288 pages

Good King Richard?
by Jeremy Potter, Constable. £9.95. 287 pages

Richard III surely the most reviled monarch in British history, became King 500 years ago. This anniversary year has launched two contesting books about him. Jeremy Potter, *chairman of* the Richard III Society, firmly contends in *Good King Richard* that he was *much maligned;* Giles St Aubyn sees him in the *The Year of Three Kings,* 1493 as diabolic*ally wicked, while conceding* that some historians did lay it on too thickly.

Mr St Aubyn himself lays it on thickly, saying:

"Those who have lived under the shadow of Hitler and Stalin cannot but feel a sense of déjà vû as they contemplate Richard's exploits."

Ricardians do not accept that their king was responsible for the death of the princes held in the Tower of London, nor of his wife, his brother the Duke of Clarence, and divers others; nor that he was a usurper of the throne; nor that he was a hunchback with a withered arm.

Mr St Aubyn accepts the lack of conclusive evidence of Richard's involvement in those deaths, and that he was no hunchback—a usurper, yes.

Shakespeare has a *lot* to answer for. His skills as a dramatist, widely accepted as *the world's greatest, did a far* better propaganda job for the Tudors than Goebbels did for *the Nazi party. Richard* was the unscrupulous baddie, the Tudors noble patriots.

Mr St Aubyn has it both ways with the Bard. While making clear he accepts that Shakespeare is not to be taken literally as true history, he quotes him liberally to reinforce character evidence.

The rival historians have explored a multitude of sources; Mr Potter disparaging the evidence of some authorities that Mr St Aubyn upholds, and vice versa. It really is a minefield, one in which I would tread with reluctance. Though I do believe that Mr St Aubyn is straining a little too hard when he comments: "Well might Lord Rivers have said in the words of Madame de Pompadour 'Après nous le déluge.'"

A *most refreshing interlude is* Mr Potter's chapter on the Richard III Society, with 2,500 membership and offshoots in the United States, Canada, Australia and South Africa.

The society even has a listing in the London telephone directory; in black type. Sadly, there was no answer when I rang.

The society has been responsible for plaques and memorials in places associated with Richard's 32-year life and 25-month reign. The most ambitious is the statue by James Butler RA at Castle Gardens, Leicester, unveiled in 1980. Nearly £20,000 was raised for the project, and the campaign was supported by actor Laurence Olivier, whose supreme portrayal of evil in the film *Richard III* has surely done a good deal in this century to retarnish the king's reputation.

As the reader has probably deduced, my sympathies are with Mr Potter's more romantic version, though he has not converted me into becoming a Ricardian. But I have great respect for the more miscroscopically detailed studies of Mr St Aubyn, who is a senior history master at Eton.

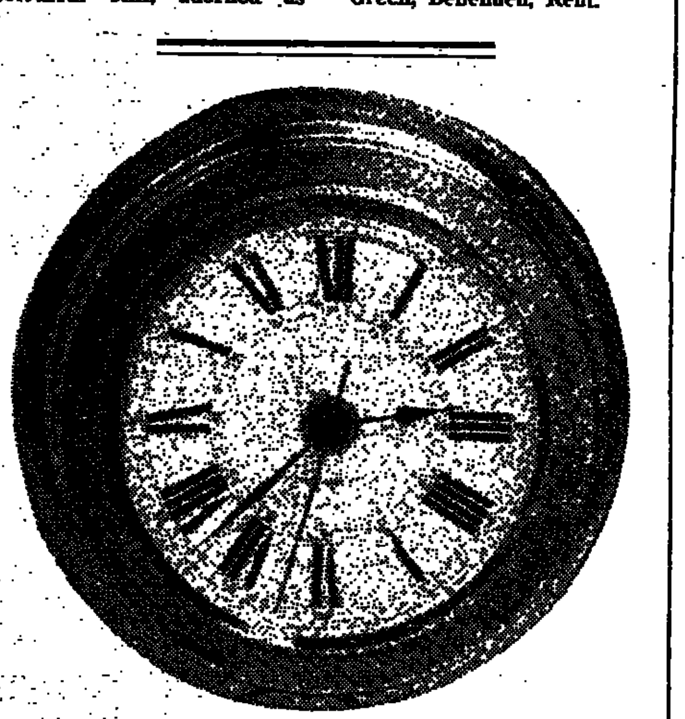
Mr Potter is a man of many parts—director of corporate affairs at London Weekend Television, chairman of Hutchinson.

هكذا من الأصل

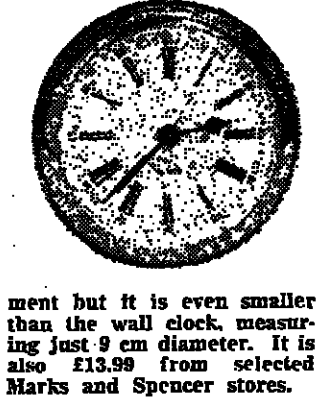
CLOCKING-IN

FAILING a beautiful antique clock or one of those robustly simple Victorian school clocks, then one must turn to something a little more easily obtainable and less demanding on the purse. The shops are currently full of witty and original answers to the age-old problem of telling the time and often the price seems to come as a major happy surprise. Shown here is a selection of four of the nicest around.

● If your tastes run to the jokey, the dramatic, the far-from-staid, then the range of clocks produced by a company rejoicing in the name of the Old School Tie is likely to have much to offer you. The Al Jolson clock in black and white acrylic is photographed here but the rest of the designs are more colourful still, adorned as they are with things like triangles and palm trees. Al Jolson is 230 mm high by 133 mm wide and costs £21.95 from the Life Style departments of House of Fraser stores. For details of the rest of the range or if you want to buy by mail order write to the Old School Tie, Ryecroft, Chapel Lane, Iden Green, Benenden, Kent.



● For those whose tastes run along more traditional lines Marks and Spencer has produced a very classic looking brass wall clock. It has the authentic-looking black and white face with Roman numerals but it sports a quartz movement and is battery-run. The clock is relatively small having a diameter of some 12 cm but at £13.99 seems very good value. It is available from selected Marks and Spencer stores.



● Another design from Marks and Spencer, this time a brass "stopwatch" alarm clock. It, too, has a black and white face, Roman numerals and a quartz movement but it is even smaller than the wall clock, measuring just 9 cm diameter. It is also £13.99 from selected Marks and Spencer stores.

● Inexpensive, at £8.95, yet decidedly cheerful, featuring as it does a colourful beach scene in bright blue, yellow, red and green. Ideal as a kitchen or bathroom clock, it is made by Smith's, has a quartz movement and comes with a two-year guarantee. It measures 12 ins in diameter and is available from larger branches of Boots.

● Fans of the Designers Guild way of decorating might like to know that from today until Saturday September 17 the shop at 277 King's Road, Chelsea, London SW3 will be holding its annual sale. Some 15,000 metres of fabric, some 500 rolls of wallpaper, as well as some of their distinctive furniture and furnishing accessories, will all be available at much reduced prices.

WARM UP TO WINTER

EVERY JUMPER TELLS A STORY

● S. FISHER has long been one of those shops that seem to manage effortlessly to combine the best of the old with the most welcome of the new. The knitwear for which it has rightly become famous has consistently been of high quality and has used traditional patterns and techniques in refreshing ways — mainly by dint of recolouring them. The look it does best is the casual country look—the colours are those that blend easily into the gentle English countryside and this autumn in particular they are subtle and muted.

S. Fisher has two branches in London—Burlington Arcade is the more traditional, while the Covent Garden shop is more adventurous, although this autumn it is developing a rather Sloane country image due to the run on its Barbours and Cricket jackets.

The "look" is admirably captured by the photograph, below, although the subtlety of the colouring is not conveyed in pink and grey.

She wears a hand-knitted jumper of pure wool, a copy of an 11th century Irish pattern but coloured to meet today's fashion needs. It is £75.

Her jacket is a Cricket jacket (similar to the very Sloane Barbour but, according to S. Fisher, slightly more stylish)—they come in five different colours and cost £85. Her shawl is 100 per cent Scottish wool tweed and comes in a selection of plain colours or checks that are exclusive to S. Fisher. Prices from £25.

He and She are wearing the same design of corduroy trouser—in lots of different colours, they are all pleated, baggy and very comfortable (ideal for country pursuits) and all cost £29.50.

He is wearing a Cricket jacket, too—his version is £95. His Barbour bag (originally used for holding his catch) is £22.50, while the hand-knitted sweater in an old, original pattern recoloured is £120. His hat is an Irish tweed patchwork cap, £12.95.

I'M SORRY if the pictures on this page are an abrupt reminder that the glorious summer we've been having is coming to an end. However, if there is anything to compensate us for the loss of those lazy, sunny days it is perhaps the sight of the new autumn knitwear beginning to fill the shelves. Many of the newest designs are enticing enough to make even the most ardent beach-lizard long for the weather to turn cool enough to justify an indulgence of this sort.

For, alas, the best knitwear is an indulgence. It is, of course, possible to buy mass-produced sweaters from Third World countries which are remarkable value for money but anybody wanting the authentic wools, the original designs and subtle colourings that are the hallmarks of the best of our knitwear, will find that they will have to look on each purchase as a long-term investment.

This year marks a determined effort by many of our most traditional knitwear firms to match the quality for which they have always been renowned with innovative design and a more fashion-orientated approach.

For instance, Shetland knitwear from those tiny islands off the north coast of Scotland that bear the name, has long been a by-word in the world of woollies. However, in recent years the Shetlanders have seen their style, their old traditions (the knitwear industry of the Shetland islands goes back more than 500 years) shamelessly and often inadequately, copied all over the world.

This year the Shetlanders are determined to fight back. Firstly, they have formed an organisation called the Shetland Knitwear Trades Association which will aim to market the true Shetland product more successfully and dynamically. Secondly, although the Shetland knitwear will still be made in the traditional way (they are knitted in the round and have no seams) and will incorporate the specialities the islands are renowned for, they will produce these designs in colours and styles that relate more easily to mainstream fashion.

The crew-neck sweaters (like the one shown here, above left), the intricate fine lacy cardigans and shawls that work so well for evening wear, the Fair Isle patterns, all these will still be there but the knitters hope to use them in a newer, fresher way.

Anybody wanting to make sure that the Shetland sweater they think they are buying really is the genuine article will, from this autumn onwards, be able to check in the simplest possible manner — on swing tickets, bag stickers and labels will be a distinctive trade mark —a symbol of a traditional Shetland woman at her knitting (see above left).

This autumn's Shetland look can be seen in the photograph above.

Right, a plain coloured lacy knit cardigan with two pockets made from 100 per cent pure new wool. Designed by Margaret Stuart of "Shetlands from Shetland," it is about £37 in a wide range of colours. The multi-coloured cockle stitch scarf with tassels, doubles as a shawl and is £21. Both are available from The Scottish Merchant, 16 New Row, London WC2.

Left, a traditional man's sweater with the classic Shetland patterned yoke, cuffs and hem. Knitted in 100 per cent pure new wool, it was designed by L J Smith of Hoswick, Shetland and costs £55 from The Scottish Merchant and other Shetland stockists.

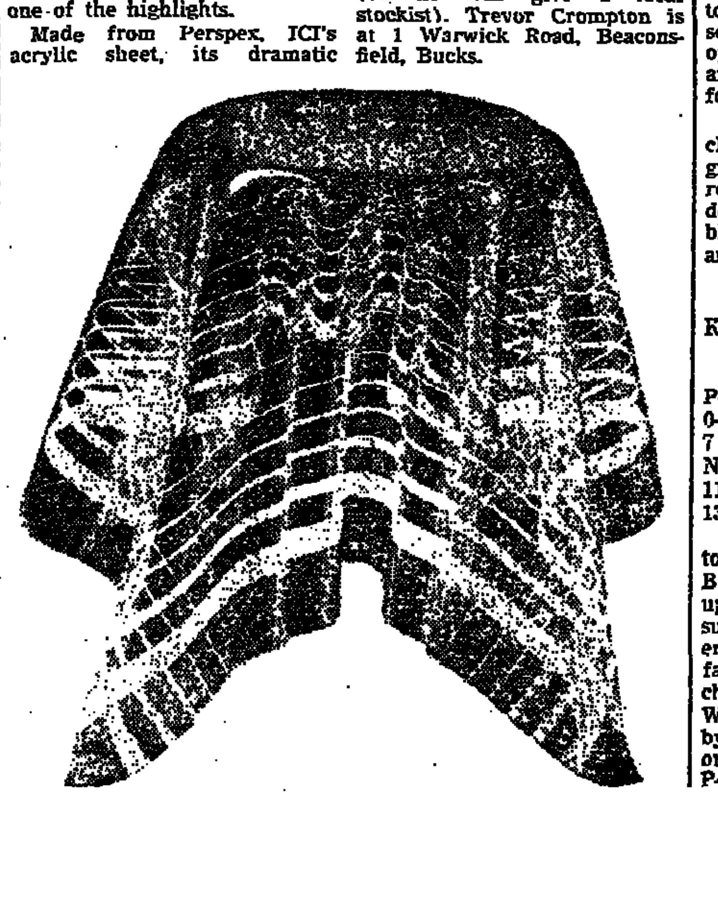
TABLE TALK

IT MAY look as if it would be more at home in the headquarters of the Magicians' Circle but actually it isn't about to do a disappearing trick—it is actually one of the most stunning and original pieces of furniture design I've seen for a long time. The work of a British designer, Trevor Crompton, it is destined to be one of the show-stoppers at the Milan Furniture Fair, that Mecca of the best of modern furniture design. Harrods of Knightsbridge, London, SW1 has decided this year to have an exhibition starting today and continuing until October 8, in Central Hall, which will feature a selection of the furniture simultaneously on show in Milan and Trevor Crompton's table is, inevitably, one of the highlights.

Made from Perspex, ICI's acrylic sheet, its dramatic free-form shape is entirely self-supporting—it rests on the points of the "table-cloth." It is light, easy to move around and one of the great advantages that derives from using acrylic sheet is that it can safely be left out of doors where it will not rust or weather.

I like the translucent version best, particularly when enhanced with an opaque white pattern but there are opaque versions available in red, blue, bright green, ivory or white.

Harrods sells a 24 in high version for £160, in the clear acrylic only. The opaque versions or a smaller, 18 in high model, can be bought from Trevor Crompton himself (or he will give a local stockist). Trevor Crompton is at 1 Warwick Road, Beaconsfield, Bucks.



CHESS

LEONARD BARDEN

LLOYDS BANK'S seventh international, held at the Park Lane Hotel, London, from August 24 to September 1, was a solid success for the grandmasters. Razuvaev of the USSR won the trophy on a tie-break from Nunn (England), Matanovic (Yugoslavia), and the only non-GM at the top, Watson (England). All totalled seven out of nine, and finished ahead of a field of 130 from 24 countries. With seven GMs and 33 others with international titles, this event is well established among the strongest opens in Europe.

A significant result was the triumph of Oxford University, whose annual match with Cambridge is sponsored by Lloyds Bank and whose players were awarded Lloyds Bank scholarships for the tournament. Of the 1983 Oxford team, Watson shared the £1,000 first prize; Cummings, Levitt and Hawksworth achieved men's international master results; Bowden drew with GM Tarjan of the U.S.; while two more Oxford players, Cox and Shovel, made good scores.

Razuvaev was the second Russian GM to compete at Lloyds Bank. His 1981 predecessor, the illustrious Smyslov, failed to adapt to the hurly-burly of a large open and finished out of the prizes. Last year Viktor Korchnoi also had an ignominious result. Razuvaev, a younger man, proved a tough practical character. He settled into his game, squeezed opponents who played passively and showed a quick tactical eye for complications.

Some of the most interesting chess occurred away from the grandmaster boards. Watson's record read seven wins, two defeats, and no draws: here the black rooks and bishop set up an elegant queen sacrifice.

White: S. Conquest.
Black: W. N. Watson.
King's Indian Defence (Lloyds Bank 1983)

1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, B-N2; 4 P-K4, 0-0; 5 B-K2, P-Q3; 6 N-B3, P-K4; 7 0-0, N-B3; 8 P-Q5, N-K2; 9 N-K1, N-Q2; 10 N-Q3, P-KB4; 11 B-Q2, N-KB3; 12 P-B3, K-R1; 13 R-QB1 ?

White plans P-KN4 and P-KR4 to constrict the K-side: while Black regroups, White will open up the other flank. As often with such complex strategy, a slight error swings the game, and the faulty rook move allows exchange of dark-squared bishops. White needs to counter...B-KR3 by B-K1, so better is 13 R-QN1 or 13 N-KB2. 13. P-B4; 14 P-KN4, N-K1; 15 N-B2, N-N1; 16 K-N2, B-R3; 17 R-QN1, B x B; 18 Q x B, Q-R5; 19 P-N4, P-N3; 20 P x QBP, NP x P; 21 R-N3, N-R3; 22 P-KR3, N-B2; 23 N(3)-Q1, N-N4; 24 P-B4, N-KB2; 25 P x KP, N x P; 26 N-Q3, N-KB3; 27 N x N, P x N; 28 P-Q6, B-Q2; 29 KP x P, P x P; 30 P x P, R-N1 ch; 31 K-R2.

Apparently the white rooks defend the entry squares into his position, but Black is ready with a fine finish.

31...B-B3; 32 R-B2, Q x R ch ! 33 N x Q, R-N7 ch; 34 K-R1, QR-KN1; 35 Resigns. If 35 B-B3, B x B; 36 R x B, R-N8 ch and mate next move.

Conquest, the former world under-16 champion, was also on the wrong side of another game of special interest to club players. Black's Benko Gambit, a pawn sacrifice for Q-side attack, is a popular counter to 1 P-Q4 but the new strategy here with White's queen and rook casts doubt on the Benko's future.

White: M. Quinteros (Argentina).
Black: S. Conquest (England).

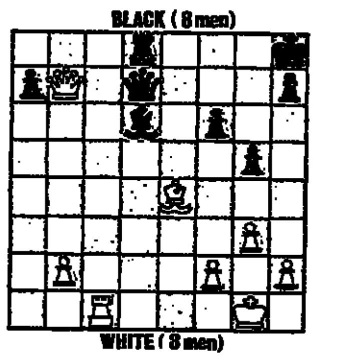
1 P-Q4, N-KB3; 2 P-QB4, P-B4; 3 P-Q5, P-QN4; 4 P x P, P-QR3; 5 P-K3, P-KN3; 6 N-QB3, B-KN2; 7 P-QR4, 0-0; 8 N-B3, B-QN2; 9 R-R3, P-K3; 10 P x KP, BP x P; 11 Q-Q6, Q-B1; 12 B-K2, N-K1; 13 Q-N3, P-Q4; 14 0-0, P-QR4 ?

Clearly weak, conceding White a protected passed pawn and leaving Black's KP vulnerable: but 14...N-KB3; 15 . Q-R3, Q-K1; 16 R-Q1 also favoured White in Tarjan-Benjamin, U.S. Championship 1983.

15 Q-R3, B-KB3; 16 P-K4; P-Q5; 17 B-QB4! (initiating a forced win), N-N2; 18 P-K5, B-K2; 19 N-K2, BxN; 20 RxB, RxR; 21 PxR, Q-KB1; 22 BxP ch, NxB; 23 QxN ch, K-N2; 24 N-B4, Resigns.

POSITION No. 481

BLACK (8 men)

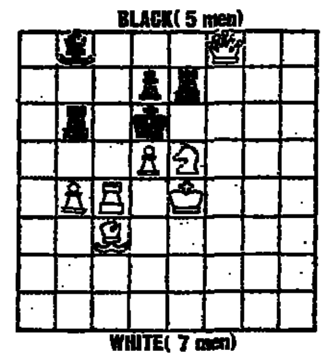


WHITE (8 men)

Tarjan (U.S.) v. Dyson (England), Lloyds Bank 1983. Material is level, but it took just one move for grandmaster Tarjan to force resignation. What did White play?

PROBLEM No. 481

BLACK (5 men)



WHITE (7 men)

White mates in two moves, against any defence (by J. L. Rendall). Rarely for a composed problem, this could well be the end of an over-the-board game where Black has been slow to resign.

Solutions Page 14

BRIDGE

E. P. C. COTTER

A VERY short autobiography, *Omar Sharif's Life in Bridge* (Faber £3.50), a translation of the original *Ma Vie au Bridge*, has recently been published, and contains some excellent hands which you will find both exciting and instructive. When the Sharif Bridge Circus was playing in America, Giorgio Belladonna showed masterly skill in fulfilling his contract in this hand, dealt by North with neither side vulnerable:

W	N	E
	♠ 9 4 2	
	♡ K Q	
	♢ A K 8 3	
	♣ A 9 8 6	
♠ Q 10		♠ K J 8 7 5 3
♡ J 10 7 4 3		♡ —
♢ 9 4		♢ Q 10 7 2
♣ K Q 3 2		♣ J 7 4
	S	
	♠ A 6	
	♡ A 9 8 6 5 2	
	♢ J 6 5	
	♣ 10 5	

After an artificial bidding sequence South found himself in four hearts. At first glance there seem to be five losers, a spade, a diamond, a club, and two hearts. This was pointed out by the commentators on bridgerama, who suggested that one trick might be saved by a trump endplay. Now let us see how the Italian maestro handled the play.

West led the club King, taken on the table, the heart King revealed the 5-0 division of the trumps, and the six of clubs was returned and won by the Knave. East led back a low spade, South won with the Ace, crossed to the heart Queen, and returned the eight of clubs, on which he discarded his remaining spade. West returned the spade Queen, which was ruffed in hand, and Giorgio cashed Ace and King of diamonds, and followed with dummy's nine of clubs, discarding his Knave of diamonds.

At this point the declarer was left with Ace, nine, eight of hearts, and West held Knave, ten, and seven. Leading a spade from the table, he covered with his eight, West won with the ten, but had to return a trump into the declarer's tenace. And that is how to overcome bad breaks.

Omar is honest in admitting his occasional mistakes, but here is a hand in which he showed real understanding:

W	N	E
	♠ A Q J 10 8 7 6	
	♡ 8 2	
	♢ Q 6	
	♣ A K	
♠ 4 2		♠ 3
♡ J 6 3		♡ Q 10 7 4
♢ K 9 7 3		♢ J 8 5 4 2
♣ Q 10 7 2		♣ 8 5 3
	S	
	♠ K 9 5	
	♡ A K 9 5	
	♢ A 10	
	♣ J 9 6 4	

Sitting South, Omar bid one no trump, and his partner replied with three spades. In spite of his minimum — in fact, he is a point short — Omar decided to bid four diamonds, accepting spades and showing his lowest control. After further cue-bidding North raised to seven no trumps, and West led the two of spades. There were various squeeze possibilities, but the declarer kept his options open by running six rounds of spades. He then cashed Ace, King of hearts and crossed to the club King, leaving this four-card ending:

W	N	E
	♠ 10	
	♡ —	
	♢ Q 6	
	♣ A	
♠ —		♠ —
♡ —		♡ Q 10
♢ K 9		♢ J
♣ Q 10		♣ 8
	S	
	♠ —	
	♡ 9	
	♢ A	
	♣ J 9	

The ten of spades was led, on which declarer threw his heart, and West found himself with no good discard. If he discarded a club, dummy's Ace would be cashed, and South would return to his diamond Ace, to enjoy the Knave of clubs; if he discarded a diamond, declarer would return to his daimond Ace, dropping the King, and cross to the Ace of clubs to enjoy the diamond Queen — a beautiful Crisscross Squeeze.

Taken back to Vienna

RADIO

B. A. YOUNG

Fresh from the Viennese touch of the Edinburgh Festival, I run into Vienna again as soon as I turn to the radio. I liked Peter Handke's *They Are Dying Out* better in Sunday's Radio 3 production under Penny Gold than I did when the National Theatre gave it to us seven years ago, partly because the performances were better, and partly because it's a play that depends mostly on the verbal felicities, and actually to see the lack of action induces a certain impatience.

The play is about the behaviour of tycoons, but written from a standpoint of basic disapproval rather than any human observation. Hermann Quitt (Tom Wilkinson) is king of them all; when he summons a meeting of his fellows it is to tell them what they're to do rather than to plan a campaign. He decides that they are to stop competition, but all attack the markets on identical terms. Naturally, as soon as they have gone he decides to renege. The victims of his betrayal come to him one by one to confront him. Count von Wullnow (Robert Stephens) relies on insult; Lutz (Ian Frost) on commercial threats; Paula Tax (Monica Grey) on sex; Koerber-Kent (Kerry Francis), who is sometimes addressed as Monsignor, on morals.

Hanke's characterisation is austere and literal, often clownish. "I love you," says Paula Tax. "I can't buy myself anything with that." Quitt responds. Paula Tax has also the sympathetic line, "I know why I like you, it's so easy to think of something else when you're talking"; but there's a lot that's worth hearing, and it was well spoken. Most of the rest of the evening was taken up with Schoenberg's *Gurrelieder*, which may sound as if it belongs in Weimar but is *echt Wiener* none the less.

"Austrian dramatist, dead, seven letters," says Quitt's wife at one point. Nestroy is not the answer she wants; and indeed Nestroy is far from dead as long as *Hello, Dolly!* is played. His one overtly political play, *Liberty Comes to Krähwinkel*, filled the same slot on Radio 3 the previous Sunday, when I was in Edinburgh, listening when I could to Radio Forth and even Radio Clyde.

It's a farcical account of the student revolution in Austria of 1848 and the downfall of Metternich. Nestroy's chief consideration seems to have been censorship, and he makes his hero, von Ultra (George Layton), a journalist. To recount the plot of a farce, it was once said, is to decant champagne, so no more of that. It ends happily, after an hour and a half of music-hall jokes, interspersed, as it would have been in Vienna in 1848, with comic songs, "couplets" as they were called, which in Sybil and Colin Welch's adaptation come out as superior Gilbert and Sullivan. Music by Elizabeth Poston, direction by Glyn Dearman. Well worth digging up.

I was disappointed in Radio 4's *How to Become a Wizard*, which was a documentary about the life of the French conjurer Robert Houdin. Somehow I expected to be as dazzled and as mystified by what I heard as I would have been if I'd been seeing Houdin do his wonderful tricks (which I'm sure I shall be told can be reproduced by any apprentice member of the Magic Circle today). But all we had was an account of the life of a businessman whose business happened to be conjuring. Paul Daniels, *le Houdin de nos jours*, read a dull script by Barry Carman, Maurice Denham spoke the words of Houdin. There were descriptions of marvellous tricks, even hints on how they were done, but I was never amazed. No doubt I was a bit naive to hope for it.

Actually I was more amazed by a programme on Radio 3 yesterday called *From Mind to Molecules*. Let me say that, although I once flattered myself that I was keeping up with science, I only understood about 30 per cent of what John Maddox and Professor John Thomas were telling me. But all this business of designing molecules to specific sizes and shapes, of reactions lasting thousands of millionths of a second, yet recorded by observers—as Mr Maddox said, "There's still an element of magic about it." To "set up situations that nature doesn't bother with," commissioning molecules to cope with man-made requirements, this is *real* conjuring. I only wish Mr Maddox wouldn't interrupt so much, though I can understand that he does it only when he thinks his performing scientist has gone beyond the understanding even of the Radio 3 listener.

The whole of Radio 4 was encapsulated in Russell Davies's Saturday comic, *A Day in the Life of Radio 4*. This was a 40-minute procession of simple parodies of familiar Radio 4 features, all painfully obvious.

Antony Thorncroft predicts 'interesting times' for the arts in the next few months

The arts in the melting pot

The priestly prayer of the Dark Ages, "may you live in interesting times," seems likely to be fulfilled for the arts world within the next few months. Many of the accepted nostrums and cosy platitudes are back in the melting pot, partly because of the arrival of new men in the key roles of Arts Minister and secretary general of the Arts Council and partly because this autumn there is a real fear that the Treasury philistines may succeed in cutting an arts budget which in recent years has escaped dramatic reduction.

And in the not too distant future the abolition of the GLC, and the other regional tiers of government, removes the second largest paymasters of the arts and demands decisions on a new structure for funding arts activities in the UK.

Luke Rittner

Rough ride

Lord Gowrie, who took on the Arts Ministry after the Election, has had a rough ride from the over-articulate arts lobby in his first few months. Given his inexperience he was hardly in a position to ward off the cut in the arts budget as part of the general reduction in public expenditure steam rollered through by the new Chancellor of the Exchequer and his decision to save money on construction work, notably on the Theatre Museum, may have been short sighted in terms of attracting bad publicity, but, in the event, the Theatre Museum is now going ahead, thanks to the GLC and an anonymous donation of £250,000. The only real impact on arts organisations from the expenditure cuts has been the 1 per cent curtailment (a sum of £920,000) in their 1983-84 revenue by the Arts Council on its 1,200 clients.

The Arts Council was very loathe to make the cut and issued a tough anti-Government statement. But its hands were tied by the fact that its new secretary-general, Luke Rittner, had no yet taken up his post. So far no company has told the Council that this sudden and unprecedented economy in the middle of the year will force it out of business but it has acted as a timely reminder to Rittner of the facts of arts life.

He is still feeling his way at the Council, and has yet to make any decisions, apart from such good PR moves as switching to a less grand office and meeting the troops through regular visits to the canteen for lunch. But the key task of his year is fast approaching, negotiating with the Arts Minister over the size of the Arts Council budget for 1984-85.

In this he may be helped from a rather surprising source. The Treasury, quite naturally, finds the arts a difficult area to deal with and, in an attempt to discover just how much truth there was in the constant moanings about financial crises by arts companies, it accepted the idea of the former Arts Minister, Paul Channon, that a civil servant, Mr Clive Priestly, should examine the books of two of the four leading recipients of Government money, the Royal Opera House, the biggest claimant of all with £10.7m this year and the RSC, the most persistent prophet of imminent bankruptcy. In the event Mr Priestly's report, which should be released this month, has come down on the side of the two companies.

It apparently says that if the Government believes that the UK should have flourishing national arts companies in theatre, opera and dance it must support them to the level of its European competitors. In theory it will be difficult for the Treasury to square the case for extra money from one of its own side, with the apparent determination of a Chancellor of the Exchequer, who is uninterested in the arts, to reduce Government expenditure. Fortunately, at the last analysis, the Prime Minister is regarded as an *ally*, at least of the established arts. In a crunch she might decide that taking on the arts lobby over what, in global terms, is a tiny sum of money is not worth the trouble.

But even if the Arts Council gets a reasonable grant for 1984-85 there is no guarantee that it will be distributed in the conventional way. Luke Rittner has his own ideas and there are few signs that the pressures of his job will convert him to a compromiser. For example, he is very much against the idea that once you are in receipt of an Arts Council grant you can always rely on such support.

When the Arts Council got round to a clear out three years ago and axed forty clients there was an outcry, but Rittner believes that the arts will stultify if new organisations are not supported financially. In the real world this can only be at the expense of some existing beneficiaries. "I am anxious to persuade arts organisations to go out and play the market and not to rely just on the Arts Council for funding." So when the money is distributed, ideally before Christmas, there could well be cries of anguish from some established organisations.

Rittner is cautious. "I have not come in to make a clean sweep, and I will give everything very careful thought, but there will be changes." Areas which are certain to be investigated are grants to individual artists, and the separation that the Council has always made between professional and amateur artists. This was its justification for dropping support for the National Youth Theatre. Rittner may be more sympathetic to young artists.

No elitist

He is no elitist but is striving for the best—the best performance in community arts, in light opera, in avant garde music. He also seems prepared to tackle one of the crucial problems of the arts in the UK — the gulf between London and the regions. "I am quite, quite certain that the relationship between the Arts Council and the regional arts associations is the key to the future. It is not right at the moment and has to be got right."

Whether the big London based national companies get too much of the cash; whether regional arts associations are fostering the arts or just better community relations—these are issues too readily swept under the carpet. They may force themselves to the fore because of the Government's decision to abolish the metropolitan councils. These councils keep important arts bodies afloat—from the Hallé Orchestra in Manchester to the National Theatre in London. Some alternative funding structure, whether it be through the Arts Council and regional arts associations, or pooling, or Government aid for local councils, will have to be developed quite quickly.

The inescapable fact is that the arts in the UK are dependent on public money and both the amount and the traditional channels of funding are being questioned at the same time. Business sponsorship is currently no realistic alternative, with its aid of £12m a year—about the sum Covent Garden reckons it needs for one year. Luke Rittner and Lord Gowrie face the double task of waking arts companies up to reality while doing their best to keep the cash flowing.

Molière

BY MICHAEL COVENEY

Bulgakov's 1936 anti-Stalinist satire, ingeniously and gorgeously masquerading as the historical fable of what happened to Molière at the hands of King Louis XIV and his cabal of the Holy Writ, was first seen in this RSC production at The Other Place last summer. In the Pit, it now plays in tandem with *Tartuffe*, the play that precipitated Molière's fall from grace. The lead in both pieces is taken by the irresistibly volatile and quicksilver Antony Sher.

Dusty Hughes's spirited version, from a literal translation by Helen Rappaport, begins with a prologue by Bulgakov delivered confidentially in the shadow of a huge gold mask of the King. Molière's company, the King's Comedians, is then discovered on an upper level, backstage squabbles spilling over on to the lower.

Molière is rejecting his mistress in favour of her "sister." He later adopts the boy who jumps out of a charlatan's magic harpsichord. The domestic upheavals caused by these incidents, together with the outrage at the anti-clercalism of *Tartuffe*, prompts the intervention of the playwright's chief patron and an ignominious decline.

In parts, Bill Alexander's production confuses exuberance with unfunny, emphatic straining after effect. But the design of Ralph Koltai and, especially, the costumes of Annena Stubbs (although I disliked the cabal's Ku Klux Klan gear) ensure a small-scale riot of visual invention. We see hints of Molière's Don Juan in the swaggering, piratical Marquis of Malcolm Storry, and a clear echo of Sganarelle in David Troughton's pragmatically philosophical manservant.

Anthony Sher, lank-haired, perculiarly deformed both sporting his stages noses and cringing before his persecutors, gives a superb display of the hounded artist, dying with ludicrous appropriateness (as indeed Molière did) during the fourth performance of *The Imaginary Invalid*.

Penelope Beaumont as the discarded mistress makes the most of two good scenes, David Bradley is a deviously oleaginous cleric, and John Carlisle a worthy, calculating successor to the late Derek Godfrey as the golden king.

Mr Sher indulges in one remarkable fainting fit and the occasional onset of debilitating stutter. Returning unexpectedly to his house, he is flabbergasted to discover a pair of shoes and a vegetable basket containing a large marrow peering up from between two huge onions. Such moments of pure farce are expertly handled. Molière's theatre world, too, is brightly and economically invoked.

Hungarian Prom

BY DAVID MURRAY

The advantages of doing without a conductor are impressive in the case of the Franz Liszt Chamber Orchestra, who made their first Prom appearance at the Albert Hall on Thursday. They were led from the first violin desk by János Rolla, but that was only a matter of cueing; they are an ensemble of players who listen to each other, and achieve a rare musical unanimity. There are just 16 strings—and one of them turned into a timpanist for Mozart's K.239 Serenade—but their expressive precision carried across the Albert Hall very well.

From Budapest musicians one expects good Bartók, and their performance of the Divertimento he wrote for Paul Sacher's Basle orchestra was excellently idiomatic: fresh, subtle elegantly sprung. The charming Mozart Serenade (the Sereneta notturna) was limpid and airy. If Chaikovsky's C Major Serenade has extra drastic force ,with larger numbers, its rhetorical opening music nevertheless had a fine sweep, and its Elegia was kept sensibly to scale at a steady, unportentous tempo.

The pianist Zoltán Kocsis joined them for one of Mozart's most delicate exercises in the concerto medium, K.414 in A Major. One sorely wished that he had a fortepiano at his disposal, instead of the modern concert grand from which he strove to draw the lightest possible sounds, in deference to his colleagues. His intentions were excellent, but the result suggested perpetual walking-on-eggs; with a fortepiano the balance would have been self-regulating and much more exciting.

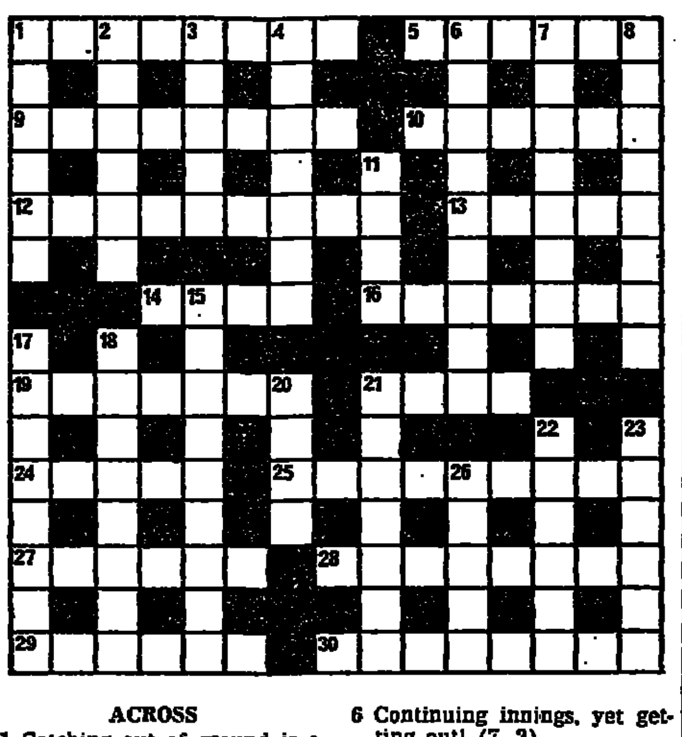
F.T. CROSSWORD PUZZLE No. 5,213
"WHEN RAIN STOPS PLAY"

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



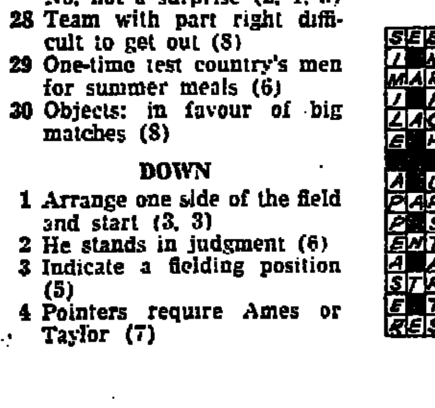
ACROSS

1 Catching out of ground is a form of dismissal (8)
5 First in—girl's flower being returned (6)
9 Beefy cuts from the best teams? (8)
10 Old player—King amongst the causes of misery (6)
12 Earliest error not far from the keeper (5, 4)
13 and 21 ac Nurse, thin, could be collecting singles etc (2, 3, 4)
14 Money for the extra men? (4)
16 Let drop (but just a hint!) (7)
19 We pound when bouncing (admitted) (5, 2)
21 see 13
24 David, from Wales? (5)
25 Ho! main bat hitting out ... (3, 6)
27 "... approaching century? No, not a surprise (2, 1, 3)
28 Team with part right difficult to get out (8)
29 One-time test country's men for summer meals (6)
30 Objects: in favour of big matches (8)

DOWN

1 Arrange one side of the field and start (3, 3)
2 He stands in judgment (6)
3 Indicate a fielding position (5)
4 Pointers require Ames or Taylor (7)
6 Continuing innings, yet getting out! (7, 2)
7 Nervous period with several drawn matches (8)
8 Pays attention to press etc., when spinning (8)
11 A duck's the matter for work! (4)
15 Spinner subordinate to the club (9)
17 Have a yen on the jumps—they're easy to hit (4, 4)
18 Fast bowler's delivery, thrown in cold? (8)
20 Settled one in leg-guard (4)
21 Excited roar with fun, effectively got boundary (3, 4)
22 Runs after ashes lost (under 100) (6)
23 Hits out with just a little on board (6)
26 Open with a series of balls on time (5)

Solution to Puzzle No 5,212



†Indicates programme in black and white

BBC 1

6.25 am Open University. †8.55 Leon Errol in "When Wifie's Away." 9.15 The Get Set Picture Show. 11.00 Saturday Morning Film: "Captain Scarlett" starring Richard Greene. 12.12 pm Weatherman.
12.15 Grandstand, including 12.45 News; Football Focus (12.20); Surfing (12.50) The Foster's Draught Europro, Newquay; Tennis (1.10) US Open Tennis Championships, from Flushing Meadow; Racing from Goodwood (1.35, 2.10, 2.40); Eventing (1.55, 3.15, 3.55) The Burghley Remy Martin Horse Trials; Athletics (2.55, 3.55) Final of the GRE Gold and Jubilee Cups, Cwmbran; 4.35 Final Score (N. Ireland only: 5.00 Northern Ireland Results).
5.10 The Dukes of Hazzard.
6.00 News.
6.10 London. Sport; South-West (Plymouth), Spotlight Sport; Other English regions, Sport/Regional News; Scotland, Scoreboard; Wales, Sports News Wales; Northern Ireland, Northern Ireland News and Sport.
6.15 The Noel Edmonds Late Late Breakfast Show.
7.00 Blankety Blank.
7.35 Juliet Bravo.
8.25 Three of a Kind.
8.55 News and Sport.
9.10 Remington Steele.
10.00 Match of the Day (not Scotland).
10.00 (Scotland) For Sale—Charlie Nicholas.
10.40 (Scotland) Gaughan.
10.50 Saturday Late Film: "The Long Goodbye," starring Elliott Gould.

BBC 2

6.25 am Open University.
†3.10 pm Bing Crosby Double Bill: "Paris Honeymoon" and at †4.35 "We're Not Dressing."
5.50 Eventing.
6.40 The Sky at Night.
7.00 Grand Slam.
7.25 News and Sport.
7.40 Brooklyn to Blenheim.
7.45 U.S. Open Tennis Championships: Ladies' Singles Final.
10.00 Lady Ellen and Lady Law.
10.45 News On 2.
10.50 U.S. Open Tennis Championships: Further news and highlights of today's action.
11.35 The Twilight Zone.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show with Isla St Clair and Tommy Boyd.
12.15 pm World of Sport presented by Dickie Davies: 12.20 Motor Cycling from Donington; 12.30 Cycling—The World Championships—The Men's Professional Road Race from Switzerland; 12.45 News: 12.50 On the Ball with Ian St John and Jimmy Greaves: 1.20 The ITV Four from Doncaster (introduced by Brough Scott). 1.40 Motor Cycling from Donington; 1.55 ITV Four from Doncaster; 2.10 Speedway: World Individual Championship Final from West Germany; 2.25 ITV Four from Doncaster; 2.40 Speedway—World Individual Championship Final; 2.50 ITV Four from Doncaster; 3.15 Motor Cycling; 3.45 Half-time Soccer Round-up; 4.00 Boxing; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 The Fall Guy.
6.30 Game for a Laugh.
7.30 Punchlines.
8.00 Hart to Hart.
9.00 News and Sport.
9.15 Adult Movie: "Escape from Alcatraz" starring Clint Eastwood and Patrick McGoohan.
11.20 Clive James on Television.
11.50 London News Headlines followed by the 25th anniversary of The Marquee.
12.50 am The Oshima Gang—the making of "Merry Christmas Mr Lawrence," followed by Night Thoughts with Msgr Bruce Kent.

CHANNEL 4

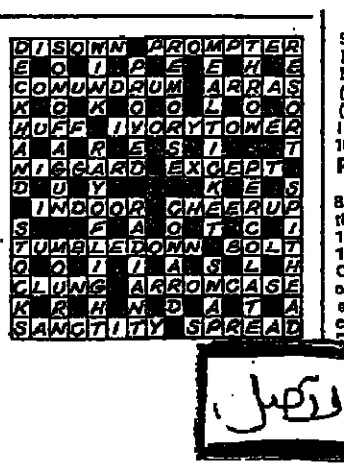
1.55 pm Are You Listening: Widows.
†2.20 "In Old Chicago" starring Tyrone Power, Alice Faye and Don Ameche.
†4.10 "The Boat" (Buster Keaton two-reeler).
4.35 Well Being.
5.05 Brookside.
6.00 Video Video.
6.30 News Headlines followed by Animation at Cambridge.
7.00 A Working Faith.
7.30 My World and Welcome To It.
8.00 Beautiful, Baby, Beautiful!
9.00 The Charterhouse of Parma.
10.05 Caleb Williams.
†11.05 "The Invisible Woman" starring John Barrymore.

Solution and Winners of Puzzle No. 5207

Mrs C Hamilton, Highfield House, Lound, Retford, Notts DN22 8RD.

Mr F. Vander Steen, 24 Wendover Court, Lyndale Avenue, London, NW22 PG.

Mr J. Bromley, Ty'n-y-Ion Rhewl, Ruthin, Clwyd LL15 1UL.



S4C (WALES)

2.20 pm A Week in Politics. 3.00 Ulster Landscapes. 3.30 Manscape. 3.55 In Search of Paradise. 4.25 Making the Most Of. †4.50 Saturday Movie: "In Old Chicago." 6.30 Anturiaethau syr Wynff a Plwmsan. 7.00 Newyddion. 7.10 Mae'r Gelyn Oddi Mewn. 8.10 Medi'r Eisteddfod. 8.45 Ladybirds. 9.30 Charterhouse of Parma. 10.30 "Turn of the Screw" (Czech film of Benjamin Britten's opera). 12.20 am Jazz on Four.

REGIONS

IBA Regions as London except at the following times:

ANGLIA
9.35 am Falcon Island. 10.05 Vicky the Viking. 5.30 pm Chips. 11.20 The Tube. 12.20 am At the End of the Day.

BORDER
9.25 am Cartoon Time. 9.40 Flintstones Special. 5.25 pm Chips. 11.20 Journey to the Unknown.

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 Profiles in Rock. 10.05 Vicky the Viking. 5.35 pm Chips. 11.20 The Night Stalker. (The first pilot episode of a new series soon to begin on Central.)

CHANNEL
9.25 am Saturday Space—Stingray, followed by Space 1999, followed by 5.05 pm Puffins Pla(i)ce. 11.20 The Tube.

GRAMPIAN
9.35 am The Smurffs. 10.05 The Adventures of Gulliver. 5.35 pm Chips. 11.20 Reflections. 11.25 Cher in Concert.

GRANADA
9.25 am Between the Tides. 9.40 Falcon Island. 10.05 Vicky the Viking. 5.35 pm Chips. 11.20 Hawaii Five-0. 12.16 am ELO Live in Concert.

HTV
12.13 pm HTV News. 5.04 HTV News. 5.36 Chips. 11.20 The Best of Saturday Night Live.

SCOTTISH
9.25 am Storytime. 9.40 Private Benjamin. 10.05 Zoom the Dolphin. 5.35 pm Magnum. 11.20 Late Call. 11.25 Genesis in America.

TSW
9.25 am Cartoon (Dick Tracy). 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House On The Prairie. 11.45 The Pruitts of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 11.20 The Tube. 12.20 am Postcript.

TVS
9.25 am Wattoo Wattoo. 9.35 Smurfs. 10.00 3-2-1 Contact. 5.35 Knight Rider. 11.20 Pink Floyd at Pompeii. 12.20 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 Metal Mickey. 12.13 pm North East News. 5.05 North East News. 11.20 Rock Around Midnight—Joe Cocker in Concert. 12.10 am Tina Turner "Live." 1.05 Poet's Corner.

ULSTER
9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 5.08 Ulster News. 5.40 Chips. 9.14 Ulster Weather. 11.20 Star Parade. 12.20 am News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Melotoons. 9.40 Little House on the Prairie. 5.35 pm Magnum. 11.20 Casablanca (David Soul stars as Rick Blaine, owner of the Cafe Americain). 12.15 am Late Night Drama.

RADIO 1
(S) Stereo Broadcast
8.00 am Tony Blackburn's Saturday Show. 10.00 Gary Davies. 1.00 pm Rock Lists Show (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Saturday Live (S). 7.30 (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
7.30 am David Jacobs (S) including 8.02 Racing Bulletin. 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.30 The Magic of Kenny Everett (S). 1.00 pm Punch Line. 1.30 Sport on 2: Cricket: commentary on the final set of matches in the County Championship; Football including second-half commentary from 3.55; Racing from ... Prix from Monza; 5.00 Sports Report, including 5.00, 5.50 Football results, 5.45 Racing Results plus U.S. Open Tennis, Rugby League. 6.00 Country Greats in Concert. 7.00 Three in a Row. 7.28 Cricket Desk. 7.30 Big Band Special (S). 8.00 Petula Clark in Concert (S). 9.30 131st British Open Brass Band Championship (S). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells presents You and the Night and the Music (S).

RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Edward Downes conducts BBC P.O., part 1: Holst, Tchaikovsky (S). 12.10 pm Interval Reading. 12.15 Part 2: Rutland Boughton. 1.00 News. 1.05 Brahms Lieder (S). 2.05 Sir Adrian Boult (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Jean-Philippe Rameau Chamber music (S). 7.30 Proms from the Royal Albert Hall, part 1: Faure, Rachmaninov (S). 8.30 The Means to Prosperity: Peter Oppenheimer on John Maynard Keynes. 8.50 Proms, part 2: Stravinsky (S). 9.50 The Hunt by Zora. 10.15 Kurt Schwertsik: Transylvanian Symphony for strings Op. 18 (S). 10.30 Another World (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway including 8.57 Weather; Travel. 9.00 News. 9.50 News Stand. 10.05 Conference Special (Report on the Trades Union Congress). 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; A Small Country Living. 12.27 pm Quote ... Unquote (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Nobody Ever Says Well Done. 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 This College and University Business. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.20 Springs of Action: Enoch Powell and Shirley Williams discuss their Christian faiths and political beliefs. 8.00 Richard Baker with music on record (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Young Man of Provedence. 11.00 Soundings. 11.30 Wild Spain (S). 12.00 News.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Today. 8.33 The Boat Show. 9.03 Openings Encore. 9.30 Quartet. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Book Now. 6.00 Guideline. 6.30 It Makes You Think. 7.00 Evening Star. 8.00 Radio Replies. 8.30 The Maitland Interview. 9.00 Hold the Front Page. 9.30 Good Fishing. 10.00 As Radio 1. 12.00-5.00 am Join Radio 2.

LONDON BROADCASTING
7.00 am AM with Jenny Lacey and Mark Smith. 10.00 Jellybone with Clive Bull. 12.00 LBC Deports with Greg Strange. 1.00 pm Sportswatch with Jeff Stelling. 6.00 LBC Reports with Greg Strange. 7.00 Goat Male. 8.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra. 4.00 Travel '83.

CAPITAL RADIO
7.00 am Dave Cash. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Music Centre with Steve Collins. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 The Greg Edwards Soul Show. 9.00 Roots Rockers with David Rodigan. 11.00 Foreign Affairs with Charlie Gillett. 12.00 Midnight Special—Phil Allen.

Solution to Position No. 481

1 R-B8! Resigns. If 1...QxQ; 2 RxR ch and 3 BxQ. If 1...QxR; 2 QxP mate. If 1...RxR; 2 QxQ. If 1...K-N2; 2 RxR.

Solution to Problem No. 481

هكذا علق الكثير

هكذا عن الكتل

WINE/COLLECTING

A big and fizzy problem for Champagne

BY EDMUND PENNING-ROWSELL

THE VINTAGE is due to start in Champagne in just over a fortnight's time; but such is the change of circumstances that the Champenois, desperately short of wine only a year ago, are by no means looking forward to this year's harvest with unalloyed joy. For the forecast is that it might be as large as last year's, which yielded the record equivalent of 292m bottles. It may not be as bad (big) as this, for the size of a vintage can never be accurately gauged until it is at least in the fermenting vats, but unless it is rained out at the last moment it will undeniably be larger than wanted.

The reasons for this about-turn in the situation *after* last year's vintage are bound up with stock, sales, finance and trade politics. Champagne operates in a different way from the other French wine districts, or indeed from table-wine producing areas all over the world. While it is the aim of the latter to sell as much as possible of the new wine as soon as buyers can be induced to purchase it, the producer/merchants of the Marne are buying grapes immediately after they are picked to sell as champagne several years ahead. A non-vintage champagne cannot be sold until it has been a year in bottle after its second fermentation therein; and a vintage wine three years later. Since the bottling normally does not take place until the following April or May, and, owing to the huge crop, some of it later this year, this means a minimum age of at least 18 months.

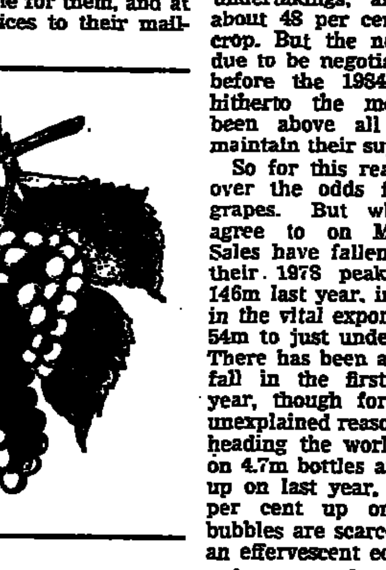
But this is not adequate to achieve the quality essential to maintain champagne's reputation—and sales—ahead of the other increasingly competitive sparkling wines. So it is accepted that stocks in the chalk cellars of the Marne should average at least three years' sales.

In fact, however, booming sales in the late 1970s, accompanied by seriously deficient harvests in all years save 1979, led to much more champagne being sold than produced. Just before last year's vintage, in spite of considerable sales rationing, particularly on the home market, stocks were down to about 2¼ years' disposals.

Meanwhile, the series of very short harvests had led the growers to demand exceptionally high prices for their grapes. There is a complicated regulatory system negotiated between growers and merchants, based on the average price of a bottle of champagne sold by the latter in the first six months of each year. With inflation running at about 10 per cent this meant a built-in price increase for the next vintage's grapes. But in 1980 the growers secured on top of the agreed price of FFrs 13.50 a kilo for the most favoured villages on the Montagne de Reims and the Cote des Blancs a bonus of FFrs 10. Although this was reduced in 1981 to FFrs 5, making a total of FFrs 20 for the best grapes, it was still as high as FFr 19.05 for last year's huge crop. These prices created considerable financial difficulties for the smaller merchant houses, and they meant higher retail prices for all champagne brands; and this led to reduced sales.

The price of grapes is fixed about a week before the vintage: this year on September 19. Why last time did the merchants, faced with a large crop—though not expecting it to be so large — agree to pay so much for the grapes? First, because they were desperately short of stock, and the big houses in particular, with eyes on their vital export markets, would pay anything to restore it; secondly, because they wanted to keep the growers happy.

One of the most significant developments in Champagne over the past dozen years or so has been the expansion of "growers" champagne! Several thousand *vignerons*, instead of selling all their grapes to the merchants, have been producing their own champagne. This was more profitable for them, and at direct-sale prices to their mail-order customers so much cheaper than the advertised brands that they have taken over about 50 per cent of the French market. Produced almost entirely from their own vineyards, not such good champagne as the careful blends that are the secret of fine champagne, but good enough for celebrating a wedding or a first communion.



However, for many years now contracts, often merely verbal, have been in force that assure the growers the sale of their grapes and the merchant producers their vital raw materials. Altogether the merchant producers can only draw on 11 per cent of grapes from their own vineyards; and some have none. These contracts run for about six years, with a break in the middle for a minor adjustment in the guaranteed percentage of sales and purchases. Renewals in the last decade have shown a certain drop in the growers' undertakings, and it is now about 48 per cent of the total crop. But the next renewal is due to be negotiated next year, before the 1984 vintage, and hitherto the merchants have been above all concerned to maintain their supplies.

So for this reason they paid over the odds for their 1982 grapes. But what will they agree to on Monday week? Sales have fallen sharply from their 1978 peak of 186m to 146m last year, including a fall in the vital export market from 54m to just under 44m bottles. There has been a further small fall in the first half of this year, though for some as yet unexplained reason UK imports, heading the world list, at just on 4.7m bottles are 22 per cent up on last year, which was 10 per cent up on 1981. The bubbles are scarcely supporting an effervescent economy.

As a result of this sales decline, contrary to what was thought after the last vintage, a substantial crop is not now needed to complete the stock topping-up, especially as the merchants bought all the grapes available to them, far exceeding current sales levels. So while they will be willing to accept their contracted commitment, whether they will or can afford to purchase again a big surplus is an open question. If not, can the new regulator system, organised by the efficient interprofessional trade body to set aside stock for later insertion into the market, take care of some of the balance?

When I was in Champagne earlier this summer merchants' forecasts of the 1983 grape rpice varied from an optimistic FFr 14 a kilo to a pessimistic FFr 18 or more. But then the likely big crop was not known, nor the complicating factor of this year's average selling price of the bottle. Another real but as yet unquantifiable element is the growth of the vineyards, which by 1992 will reach 29,000 ha, compared with today's 24,000 ha.

It is estimated, nevertheless, that an average crop may then yield 240m bottles. Not much increase in total sales is expected this year, but a target of 200m by 1986 is hoped for. The merchants are at least privately aware that champagne is more expensive than it should be in relation to other sparkling wines. But they are in a dilemma vis-à-vis the growers. To ensure a satisfactory renewal of the contract next year, they cannot afford to upset them, driving them into even more growers' champagne production. On the other hand the *vignerons*, who have so long held the whip hand in a basically rising market, cannot afford to push their luck too far. They produce a commodity that after picking deteriorates in hours and in effect must be sold in advance.

But whatever the outcome of the coming vintage and the price of its grapes, at least occasional consumers may feel confident that before too long champagne in real terms will cost less.

Tiffany style comes out of the attic

BY JUNE FIELD

STYLES ARE merely the copying of what others have done, insisted Lewis Comfort Tiffany (1848-1933), maintaining that it was much better to "use our own brain and imagination in order to obtain the revelation of beauty."

And Lewis, the son of Charles Lewis Tiffany, who started the world-renowned jewellery store in New York that still bears the family name, brought his own distinctive style to everything he did.

The original "breakfast at Tiffany's" must have been in 1916 when he gave a birthday breakfast at his home for over 200 people, at which he presented a masque *The Quest for Beauty*.

And at an earlier spectacular, guests feasted on roasted peacock, sucking pig, turtle and frog's legs, while toga-clad children held lighted torches to illuminate the great Favrile glass dome.

Favrile glass was Lewis' own creation, pinkish opalescent glass shot through with a peach-hued iridescence. (For a short time it was called Fabrile, an old-English word meaning handmade, but it was finally patented as Favrile in November 1894).

Lewis was a talented painter, designer of mosaics, stained-glass windows, electric lamp stands and shades, fabrics, tiles and ceramics, as well as a collector of beautiful things.

It was logical that he should be a provider of sumptuous interiors, for which there was no shortage of clients among the rich and famous who patronised his father's store.

He decorated the home of Cornelius Vanderbilt in New York, Potter Palmer in Chicago, and Lily Langtry in London.

He did up Mark Twain's house and refurbished several rooms in the White House in Washington. Theatres, clubs and yachts were all transformed into show places full of rare and costly *objêts d'art* and antiques.

Exotic, artistic settings were created for east coast merchants and industrialists, who with their new-found wealth were said to be "an extravagant people leading extravagant lives."

In addition to working with his own Tiffany Studios and glass company Tiffany Furnaces, when his father died in 1902, Lewis became vice-president and artistic director of Tiffany and Co.

Between 1890 and 1918 his own products were at the peak of their popularity, satisfying the concepts of the Arts and Crafts Movement, and in line with the new style of *art noureau*.

But as the 1920s and thirties came with the harsh angularity of Cubism and *Art Déco*, the whole Tiffany scene became outmoded. As senior vice-president of Christie's New York, Alastair Duncan, summed up in his indispensable source-book *Tiffany Windows* (Thames and Hudson 1980):

"By 1940 the new generation found Tiffany decidedly *passé*. His windows and — worse by far — those endlessly gaudy lamps dated one's home." So it was that some of the most remarkable glass ever made was consigned to the attic or even the rubbish tip.

In less than three decades fashions changed. Opulence returned to favour, and now those "gaudy lamps," not even classed as an antique in the true sense of the world, and made not of precious stones or gold, but of glass and the alloy bronze, come into the category that if you have to ask the price you can't afford it.

No black and white photographs can do justice to Tiffany glass, so *The Lamps of Tiffany Studios*, by William Feldstein Jr and Alastair Duncan, to be published on Monday by Thames and Hudson, with 88 full-page colour illustrations, is a stunning catalogue in glorious technicolor.

Feast your eyes on the deep rich blues of the rare Iris lantern and the much-sought-after Wisteria, the shimmering blue-greens of Dragonfly, the russet-reds of the unique Maple Leaf and the deeper scarlets of Poppy and Peony; observe the novelties of the Bat, the Fishbowl and American Indian.

Documentation (where known), of registration number, original price and provenance of each lamp is given, and there are several items from the two major collector-sales at Christie's New York—the Grace Gluck collection in February 1979, and the Joseph and Lillian Mihalak sale, March 1980.

The book is a magnificent extravaganza, for looking at rather than reading. Perhaps for £75 one would have expected something on the background of the company and its creator; but for this one can turn to Victor Arwas' admirable *Glass—Art Nouveau to Art Deco* (Academy Editions 1977), where there is a detailed profile on the Tiffany family, and his *Tiffany* (Academy Editions 1979).

Worth studying too is an excellent booklet *Tiffany Glass*, about the 150 pieces, mainly vases, left to the Howarth Art Gallery by Louis Tiffany's last art director, Joseph Briggs, who came from Accrington, Lancs.

He had the sad task of disposing of the remaining stock of Tiffany Studios after it went bankrupt in 1932. The collection is on show daily (except Fridays), 2-5, and the booklet is 85p from Norman Potter, Curator, Howarth Art Gallery, Howarth Park, Accrington, Lancs.

Prices of really fine, rare lamps at auction have reached what most experts agree are "fantastic levels," with a coveted Lotus lamp making $308,000 at Christie's sale in New York last December.

"Everything depends on quality and rarity," explains Victor Arwas of the Editions Graphiques Gallery, 3, Clifford Street, London, W.1.

He says that it is possible to buy an ordinary "tiled" lamp at around £3,000, but that most people start off at something nearer £5,000, then sell and trade up. He also stocks Tiffany liqueur glasses, salt collars and ashtrays in the £100 bracket, and attractive desk-set pieces (calendar frames, inkwells and pen trays) between £300 and £1,500 that are popular with businessmen for their offices.

←

Tiffany Studios 10-light "Lily-Pad" table lamp, c1900 sold at Sotheby's, London, for £4,840 including the buyer's premium.

SPORT

Trevor Bailey looks at a cricket mystery tour

Keeping stars on course

THIS YEAR'S winter cricket tour seems a mystery. But looking at the England team chosen and the fixtures themselves, I can't hide a suspicion that cricket's masters are only anxious to keep their star players occupied and well-paid to avoid another excursion to South Africa.

A tour of Fiji, New Zealand and Pakistan does not have too much to recommend it, apart from the two matches in Fiji which should encourage the game in the South Seas.

Having lost the Ashes last winter England found themselves engaged in a seemingly endless series of limited overs matches against Australia and New Zealand, followed by a further three in New Zealand.

We have only just beaten the Kiwis in a four-test rubber, while earlier in the summer both sides took part in the Prudential World Cup.

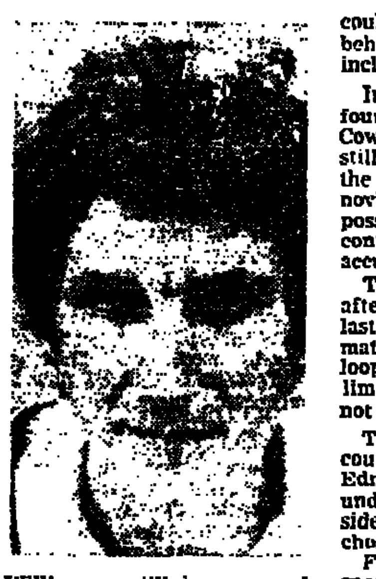
But it is difficult to justify another three Tests and three one-day internationals so soon, especially as after newcomers Sri Lanka, they are the weakest of the Test-playing countries.

I see a lack of balance in the cricket programme. After the first Test in New Zealand there is only one first-class match, outside the tests in Christchurch, Auckland and the three in Pakistan.

This makes winning a place in the England team on merit after the first Test nearly impossible and suggests money rather than the game was the main objective of the tour.

It might have been thought that the England regulars, Willis, Botham, Gower, Taylor, Tavare and Randall, who have been touring abroad winter after winter might have benefited from a rest, but though they might have been better off physically, they would not have been as well off financially.

Our selectors overlooked deficiencies and weaknesses in Bob Willis's captaincy in Australia and reappointed him captain this summer. So it was only logical to leave him in command.



Willis . . . still in command

Although I would have taken a second wicketkeeper, as no member of a touring side should be indispensible, 15 seems a reasonable number for this particular trip and a high percentage picked themselves.

The party can be divided into four sections. First there are the seven batsmen — Gower, Lamb and Randall are all established internationals. Gatting looks good for Middlesex but has floundered so often at the highest level. And we are taking three not entirely convincing openers, Tavare, really a number three, Fowler and Smith.

As we shall normally need four bowlers plus Bothan and the keeper to remove the opposition in the Tests, a case could be made for leaving behind one of the batsmen and including another spinner.

In the second section are the four fast bowlers Willis, Dilley Cowans and Foster. Willis is still the best in England and the other three are promising novices. Dilley and Cowans possess genuine pace but lack control, while Foster is more accurate, but not so quick.

Then the two spinners. Cook after his great success in the last two Tests was an automatic choice. Marks, whose looping flight is important in limited overs cricket, has not looked a Test match bowler.

There are several better county offspinners and Edmonds, with 89 wickets at under 20 apiece, must be considered unfortunate not to be chosen.

Finally there are the two specialists, Botham, the all rounder, and the admirable Taylor, who yet again has been in fine form behind the stumps.

Although this is not a powerful touring party with question marks against the opening batsmen and the attack, it should be good enough to beat New Zealand, but Pakistan could prove a very different matter.

Our selectors have been handicapped. The following 1[illegible] Englishmen would fancy their chances of beating the best team chosen from our touring party in a five-day match: Boycott, Gooch, Larkins, Amiss, Woolmer, Willy, Emburey, Knott, Underwood, Lever, Hendrick and Taylor.

All have been in fine form this summer and it is sad that so many should be banned from representing England for six test series because they played against South Africa, while South Africans, who learnt their cricket in South Africa and play there every winter, are chosen for England. Something does not seem to be quite right.

Hugh Matheson on the lessons of Duisburg

What's wrong with our rowing

"REJOICE REJOICE". The co-ordinator of the Mobil Lightweight Rowing Squad may have felt like echoing Mrs Thatcher's Falklands dictat after two of his three crews won silver medals last Saturday at the World Rowing Championships in Duisburg, West Germany. His right to such personal pride was equally specious.*

Crews nominally of his command and creation had turned last year's eighth and tenth places into mortgageable coin. But in truth these successes were the result of the dedication and energy of others and arose in spite of rather than because of the changes in the structure of rowing since the debacle of Lucerne in 1982. Writing on this page then I suggested that British rowing needed a "supremo" with the decisive authority to place men in the most appropriate seats and to avoid the wasteful duplication of several crews of near equal calibre chasing the one championship nomination.

After the co-ordinators in each squad were later appointed to fill this role, much less was achieved than should have been because, when challenged, their authority was not decisive. Instead, their skills and persuasion were stretched to the limit and still avoided few of the pitfalls. Thus, while in 1982 good lightweights were left at home—because there was no authority to plan the use of their talent after they had lost their first choice event—in 1983 good lightweights were left behind because they refused to accept the alternative offered by the co-ordinator. In both cases the team was weaker than it need have been.

In contrast the New Zealanders brought two crews to Duisburg and won two gold medals, just as Norway had done 12 months before in Lucerne.

The NatWest heavyweight rowing squad nominated 23 men spread across six crews and the best of these finished last in the big final. In 1973 when Bohumil Janousek first ruled over British rowing and began the run of success which brought 17 medals in nine years he had little difficulty in attracting the best available oarsmen to his flagship eight because there was no alternative for the few talented oarsmen available.

Now there are several clubs with sufficient income to hire professional coaches if they so choose as well as to provide the right boats and land training equipment and afford the Continental racing which forms the essential preparation of international crews. The clubs can offer choosy oarsmen a more congenial and often more convenient focus than joining a national squad where the competition for seats in the crew may be tougher.

Naturally oarsmen go where they think the coach favours them personally and coaches have then an interest in forming groups which will remain loyal on the expectation of reward. Thus, when things go wrong, there is always the threat of splinter groups forming under dissident coaches and the core is further weakened.

If the Amateur Rowing Association is to regain the initiative and the respect of men who voluntarily train for several hours a day for 1[illegible] months of the year to row down a water course for around six minutes perhaps to taste nectar (or this year if you are British, ashes) the solution is to form small regional groups of less than a dozen each with a professional coach who is answerable directly to the co-ordinator who can regularly bring these groups together to ensure that they are working towards the same technical ideal and to discover the peculiar compatibilities which make the least plausible combinations often go faster than the more obvious ones.

* *The author was the co-ordinator of the successful British light weight crews at Duisburg*

John Barrett reports from Flushing Meadow

Now it's all go for Jo

A SHADOW has been cast over the second week of the U.S. Open by the death of David Gray, whose work as secretary general of the International Tennis Federation has been such a unifying force in the world game.

As a man who longed to see a resurgence of British tennis, David would have been as thrilled as the rest of us with the exploits of Jo Durie at these championships at Flushing Meadow.

The manner of her victories—an unceasing attempt to attack at every opportunity—makes for exciting, if anxious, watching. It is a method which her coach, Alan Jones, quite rightly believes is the only one which could lift her to the top of the world game.

To have reached the semi-final in both the French Open and in New York (the first British girl to do so in America since Virginia Wade in 1975) underlines the advance she has made.

It is as much a mental improvement as a physical one—though to see her being drilled by Alan Jones in some severe work-outs here is to know just how much physical effort she has expended.

The victories will take Jo into the top ten for the first time, and it will now be a matter of believing that she belongs there. "For the first time this year, I am not overawed when I play the top girls," she says. "I know that, if I go on working as hard as I have, I can beat the best of them."

The impression left by this year's championships is that a subtle change is occurring at the top of the men's game. The relentless aggression of Ivan Lendl will surely be rewarded with a first major championship before long.

In all probability, he will achieve it at Flushing Meadow, for I cannot see 19-year-old Jimmy Arias—a thrilling five-set winner over the French Open Champion, Yannis Noah, on Thursday night—defending his lines successfully against fierce forehand driving.

Nor do I expect that Jimmy Connors will be able to do again what he achieved in last year's final against Lendl by blunting the Czech's attacking weapon through early service returns that denied Lendl the time to set himself for his favourite shot.

I am, of course, assuming that Connors, the number three seed, will overcome Bill Scanlon, the conqueror of John McEnroe, when they meet this afternoon in the semi-final.

Lendl has the look of a man who knows his moment has come. The arrogant confidence no longer masks an uncertainty about his ability to come through in tight situations. With the support of his Polish mentor, Wojtek Fibak, Lendl has become a tough, hard match player.

So, too, has young Jimmy Arias. There was a time when only the experienced campaigners emerged in the last four of this championship. Arias, at 19, is the youngest to reach this stage since Open tennis began.

The previous youngest was McEnroe, in 1978, who, at 19 years 7 months, was six months older than Arias is now. Interestingly, it is on the merits of his tremendous forehand driving that Arias has reached this stage.

It has always been the case that a great player has had a great shot. It is too early yet to place Arias in that category, but, like Lendl, he has learned to manoeuvre the opposition to the point where he can use this telling weapon to devastating effect. It destroyed Noah on Thursday night.

When the Frenchman led 5—2 in the first set after 20 minutes, it seemed he was heading for a routine win, but he was broken in the ninth game, and then allowed a 4—1 lead in the tie break to be lost, as Arias put together six successive points, with an aggressive display that thrilled the packed 20,000-seat stadium.

After completing his 7—6, 4—6, 6—3, 1—6, 7—5 victory in two hours and 50 minutes, Arias was jubilant. "It's got to be the best I've ever played. I'm still not ready to win this tournament. I don't think I can play three great matches," he said. "But," he added, "that's one."

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Britain under Spartan rules

THE FACT that a group of Swedish public sector borrowers have just raised a syndicated loan of £500m from banks in London, after initially asking for only half that sum, looks at first sight like one of those City topics which only insiders need bother to understand. However, if you put this fact together with a number of other developments which have been provoking City conversations—the rapid emergence of an important Eurosterling market, the growing interest of U.S. institutions in British equities, and the sudden growth of a New York secondary market in British stocks through the medium of American depositary receipts (ADRs)—something profound emerges. Britain is well on the way to full membership of the international capital market process. This changes the ground rules for the whole economy.

Discouraging news

The reason is simply that the value of sterling in the world will be determined from now on not by our trade figures but more by the return on capital available in Britain. This is, on the face of it, discouraging news for sterling; despite the recovery in profits in the past two years, Britain still achieves poor returns by world standards. For the same reason, however, it must in the long run be very good news for investors, for the long-term squeeze on profits, which was possible as long as capital had nowhere to run to, will be reversed. In a still longer run, what is good news for the investor will be equally good news for everyone engaged in the UK economy.

At first sight it is odd that this change should first become apparent in 1983. After all, exchange controls were abolished in 1979, ending nearly 50 years of isolation for the UK capital market—for the controls were introduced not during the war but when Britain went off gold in 1931.

However, 1979 was an odd year. The world was just adjusting to the second Opec oil price shock and just at the time when the North Sea oilfields were coming fully on stream. This combination pushed the British current account temporarily into enormous surplus, on a scale which swamped the outward capital flows mustered by investment managers who had scarcely had time to digest the news of their new freedom.

Despite these outflows, sterling went up, not down; and the Government's unavailing struggles to control sterling M3 with high interest rates even attracted counterbalancing inflows.

That era is over now. The oil price is more or less stable—tending gently downwards in real terms—and so is North Sea output. Meanwhile, the overvaluation of sterling has speeded up painful changes in other UK industries and wiped out the current account surplus. For the first time since the 1920s the UK economy is fully exposed to world competition, in the capital as well as the goods markets. The great difference is that we now have a floating currency.

This situation, in which both the UK as a whole, through its currency, and its individual enterprises are exposed to the elements, like the babies of Sparta, to select the fit, is a giant paradigm of Mrs Thatcher's approach to life and we should expect no shelter from this demanding environment as long as she remains in power. What is exercising some of her Ministers, however—and notably the Chancellor, Mr Nigel Lawson—is whether we can hope to see some of the dynamic as well as some of the painful results during this Parliament. This is the reason for Mr Lawson's grim determination, evident in his interview in the FT this week, to do all he can to attack the public spending "overheads" and labour costs of Great Britain Ltd.

The question of overheads—in other words public spending—is a difficult one, because with an ageing population they have a built-in tendency to rise. Equally, some public spending is highly productive investment—in better transports and communications, or better-trained manpower, for example. The drive for efficiency is essential, but there will be many battles over the more productive programmes.

Constant theme

The question of labour costs looks only too familar, but is in fact more urgent than ever before. Under the old fixed-rates rules, with exchange controls, the trade unions were fighting, only too effectively in the end, for a bigger share in the national income. Under the new rules, this cannot be achieved for more than a moment: if high wage settlements squeeze profits, capital outflows will undermine sterling more rapidly and surely than before, until the fall in its real exchange value cuts real incomes and restores the balance. This is an inflationary and disruptive way of achieving an adjustment which would be much better achieved through rational bargaining.

This is clearly going to be another constant theme for the Government during its second term in office, when sterling can no longer be expected to climb out of the North Sea in a kind of Indian rope trick. Whether employers are fully aware of this urgency is still not clear. The chastened trade unions, who have just faced some political home truths in Blackpool, have hardly had time to think about economics.

Ian Hargreaves reports from Rhode Island on the battle for the America's Cup

Much more than just a race

TO THE Australians it is Keelgate. To the New York Yacht Club it is a possible infraction of an 1887 legal document. To Frogman III, whoever he is, it has been a nice chance to make a buck: his signed sketch appears in every poster and T-shirt shop along the crowded Atlantic Ocean waterfront in Newport, Rhode Island.

What we are talking about is the bottom of Australia II, a 12-metre boat which will on Tuesday, rule book challenges permitting, ride out into Rhode Island Sound for what many yachting people think will be the most exciting race in the history of their sport.

The event, of course, is the America's Cup, that impossible obsession whose beacon has, through 25 contests and 132 years, lured rich men like Thomas Lipton of the tea family and Baron (Biro) Bich across the Atlantic in order to break their fortunes upon the New England rocks.

There, under the stiff gaze of the cliff-top ancestral mansions of the Vanderbilts and the Astors, families from a Great Gatsby era unaccustomed to the idea of coming second, a cult of invincibility was constructed.

On Tuesday, at the start of a series of the best of seven races, the unlikely heir to the task of extending this cult for another three years will be Dennis Conner, a 40-year-old draper from San Diego, California. Conner, with his plain, small town policeman manner, skippered the last successful defence of the trophy in 1980 and in so doing wrote a new America's Cup law: only he shall win who works hard every day with more or less unlimited finance for three years. Conner has been accused of everything, from taking the fun out of sailing to cheating, but his record is that of a winner capable of building a system which leaves nothing to chance.

Conner, appropriately to his role, has spent much of the summer telling reporters that all this talk of the U.S. losing the cup is so much nonsense. This week, however, as Newport stifled in 95 degrees of thick steamy air, Dennis Conner did not sound quite so confident.

"I never said we couldn't lose. What I've said is that its a matter of time before a foreign boat wins: the level of competition is rising all the time. I just hope it's not this time."

What has made him less sure is the keel of Australia II, the yacht which last week completed an effortless ten weeks of trials in which she eliminated competition from Britain, France, Italy and Canada for the right to take on the Americans this week. The secret of Australia II's success has been a revolutionary winged torpedo shape to its keel which, as last week's semi-final races against the British Victory 83 showed all too clearly, has given the boat both greater manoeuvrability than other twelves and the power to point closer into the wind.

In the light winds which sat upon Newport this summer she have proved unbeatable in the dogged upwind stretches of the 24.3 mile course, although a question mark remains in the mind of all non-Australia observers about her ability to win in stronger winds.

Warren Jones, full-time director of Bond Corporation and right hand man of syndicate head Mr Alan Bond, predicts victory by a 4-3 margin. Previously no foreign boat has won more than a single race. "The keel is probably our winning edge," he says.

As the seriousness of this Australian threat was registered among the Eastern seaboard's nautical establishment, strategies to defeat it have become ever more fevered.

Meanwhile, it becomes clearer by the day to those outside the yachting world—those inside have always known it—that the America's Cup is no mere yacht race. Bolted to a table in the Pall Mall-like shadows of the New York Yacht Club, the cup has come to symbolise the ability of the East coast, Ivy League establishment, backed by liberal supplies of what Americans call "old money," to keep ahead in technology, class, coolness under pressure and sheer Vanderbilt determination to win.

In spite of a larger than ever number of challengers, it was evident from the beginning that the challenger list included only two syndicates able to take on Dennis Conner at his own game.

Peter de Savary, a 39-year-old, cigar chewing Bahamas-based British middleman spent $8m building two boats and a full-time team of 70 people, including cooks, lawyers, publicist, meteorologist, sail-maker, crew and computer expert to make his own first bid on the cup with Victory 83. De Savary, however, having looked at radically innovative designs decided to play safe with a conventional hull and to seek a winning margin with a perfectly drilled crew and lavishly researched sails worked and re-worked.

Alan Bond, a larger, louder Australian equivalent of de Savary but with three previous challenges to guide him was able to match de Savary's thoroughness on half the British budget and with fewer than 30 people. But much more important than that, by the time Australia II arrived in Newport this summer, word had started to go round that Ben Lexcen, the boat's shambling, eccentric self-taught designer, had created a masterpiece, albeit one which in the context of the America's Cup could hardly fail to stir a re-examination of the rule-book.

Thus began Keelgate as the yacht club tried first to prove that Australia II's shape made her mathematically something other than a 12-metre boat and then, more seriously, to invoke the words of the original 1887 deed of gift document which states that all contenders must be designed and built in their country of origin. The club alleged that significant design work for Australia II was done in the Netherlands.

The first challenge was dropped when de Savary, whose links with Bond have deepened as the competition progressed, revealed a letter from the relevant committee of the international yacht racing union confirming that fins on keels were acceptable.

The Dutch question remains incomplete and hazy since Mr Dick Latham a member of the yacht club's America's Cup committee, returned empty-handed from a visit to the Netherlands, where he had hoped to persuade members of a marine research establishment to sign an affidavit confessing their critical role in the Lexcen design effort.

The plot thickened, however, when Mr Latham launched a defamation suit against the Dutch for alleging in a published telex to Alan Bond that he had knowingly written falsehoods into the contested affidavit. "I would gues at this point that we have probably done everything we can do, unless there is new evidence," says Mr Emil ("Bus") Mosbacher, himself three times a successful defender of the cup and a key figure in the club. Mosbacher defends the club's actions as "fundamental to our legal responsibilities to our own membership and to the competitors."

Peter de Savary (left); an $8m boat and crew building programme and patriotism by the spadeful

Others, however, see the affair as yet another instance of the club using the rule book to weaken or eliminate a threat to the Cup. Some club members are convinced that the Latham suit provides a separate track along which the club can search for incriminating evidence which could, conceivably, deny the cup to the Australians even in the event of victory on the water. Meanwhile the American's case has not been helped by the leaking of yet another telex from the Conner syndicate to the Dutch laboratory offering money for secret details of the Australian design.

"I came here to sail," snaps Conner when asked about the rule book controversy, although he loyally defends the club's actions when pressed. He reminds doubters that 1983 would not be the first time superior tactics and knowledge enabled the Americans to beat a faster challenger.

For all of that, though, Conner seems slightly tired and admits that he feels like a sabbatical "to find out what normal people live like."

Yet why, in the end, does all of this matter so much? To the challengers the answers are fairly simple. "Who climbed Mount Everest?" asks Warren Jones. "Now name even one of the people who have climbed it since." De Savary agrees that much of the lure will vanish from the contest once that 132-year-old winning streak is broken, although the Americans have been besieged with offers for the four America's Cup contender boats from Swiss, Swedish, Japanese and German syndicates, which suggests the challenge in 1987 could be even larger than this year's.

Peter de Savary says he is also attracted by "the adventure to produce something that is perfect every day for 56 races." And he, like other contenders, also lays on patriotism by the spadeful. "Land of Hope and Glory" blasted out from the quayside as Victory began her tows out to the race course.

Perhaps a connected and unspoken motive is the desire for greater acceptance within the financial establishment by acknowledged outsiders like de Savary and Bond. Had Victory 83 won, it is hard to imagine that de Savary could have been denied a mention in the honours list, a prospect which made some of the more strait-laced members of even his own entourage shudder.

Alan Bond admits that he also has motivations unconnected with sport. Having made a fortune in beer (Swan Lager), mining, oil and property, mainly in Western Australia, Bond sees the resiting of the America's Cup contest to Perth as worth an extra 2m tourists a year, not to mention the less tangible hinterland effect on investment and land and property values. "Just think of all those beer sales," he says.

From the American point of view, Bus Mosbacher sees the American task as one of defending that sporting Mount Everest in order to preserve the challenge for the sake of sport. "There's nationalistic pride as well of course. I've always felt very strongly about these things." Norris Hoyt, a veteran yachting journalist, recalls that Mosbacher once called him sharply to account for giving away too much to the competition in his live radio commentary on a race. Americans are expected to stand shoulder to shoulder in defence of this trophy.

On the American side, however, there is also a growing band of doubters who wonder whether America's Cup fever has perhaps gone too far in its acrimony and its stop-at-nothing tactics. Bus Mosbacher recalls the pleasant days when rival teams helped mend the other boat's sails and adds: "If it had been like this in my time I couldn't have done it. I could not have found the time."

In one sense, of course, all that is happening is that yet another sport of gentlemen is following the inevitable path towards professionalism and not for the first time Americans are in the vanguard. Although as a spectator sport sailing compares with watching trees sway in the breeze and possesses no capacity for mass ticket sales, the sport is clearly on the threshold of more brazen forms of corporate sponsorship. Although advertising is not yet permitted on the course, Australia II blows back towards harbour after each race with a billowing Swan lager spinaker to the fore. This year's Italian challenge was also heavy on promoting the backer's consumer trademarks in the American market.

For the men whose muscles turn the two-handed winches ("the coffee grinders") or whose split second judgment from the helm dictates a change of tactic or a new sail, the pressures to go full-time have been around for a long time. Although many ordinary crewmen hold down non-nautical jobs, the stars increasingly make their living as permanent hired sailors to the latest de Savary or are employed in the growing yachting industry. Conner remains an amateur, but he has not done much drapery in the last five years.

Running an America's Cup boat has become a freestanding business, thick with the type of negotiations and judgments familiar to any businessman. "Winning, that's what it's about," says Bond.

It is not without irony of course that the circle should turn from a time when hard-nosed freewheeling Americans snatched the trophy from under the disbelieving nose of Queen Victoria to the point where members of the New York Yacht Club screw up their faces at the latest breach of manners by Alan Bond or repeat for the umpteeth time their least favourite story, Bond's alleged threat that if he wins he will steamroller the cup and rename it the Perth Plate.

Whatever happens on Tuesday, a wind of change is blowing in Rhode Island Sound.

Letters to the Editor

Resources

From Mr W. Bailey

Sir,—Prof Moore rightly states (September 6) that there is no economic consistency in statutory safety and health requirements covering a vast field from the Public Health Acts to certificates of air worthiness. As a young engineer I well remember being told by the then production director of Rolls-Royce (during a flight) that there were far too few air crashes. He went on to expound that the stringent safety standards were an economic absurdity à la Prof Moore.

An intelligent allocation of resources would I suspect lead to an equal marginal cost/benefit position in comparable circumstances. The reality is quite different because most legislation has its origins in some kind of media-projected political pressure group. By definition, it is the exceptional event which makes news and leads to political action and the introduction of legislation to govern every circumstance as though it were the news-worthy exception—the very antithesis of management by exception. Bureaucratic self-interest ensures that the legislation will find plenty of scope and be diligently applied.

The end result of course is that the nation suffers a grave mis-direction of resources and a needless handicap of bureaucracy, and the resulting overheads have crippled our international competitiveness. The intellectual grasp of politicians, journalists and government officials in this field, however, is rarely worth a bent washer, and therein lies our problem. Perhaps Prof Moore's institution (London Business School) could help remedy matters?

W. H. Bailey.
Cliff House,
Llancarfan,
Barry,
South Glamorgan.

Innovation

From Mr M. Cross

Sir,—May I take up and extend the issues raised by Dr Frank Heller on barriers to innovation (September 3)? Not only must the obstacles be removed which develop "tunnel vision" amongst senior managers, but also those which exist on what is commonly termed the "shopfloor."

The workforce which is invested in by means of education and training, and is encouraged to develop in ability with changing work requirements is also more "innovative" in overcoming problems of running and maintaining new plant and equipment. Furthermore, recent work suggests that the worker-obsolescence impact of technical change is lessened, if not removed by investment in training. For example, the company with a skill and knowledge "rich" workforce is less likely to either create elitest grades for specialists (and hence demarcations), or use outside specialists extensively.

One cannot therefore stress forcefully enough the importance of education and training for the development of a viable economy as has been recently stated in the work of the National Institute.

Michael Cross.
182A, Kew Road,
Richmond,
Surrey.

Break-ins

From Mr D. Holden

Sir,—Dr Scotney's letter (September 6) on the arrogance of Electricity Board officials will cause no surprise. But how many people know that when the Board applies to a magistrate for a warrant to break into a consumer's house, the victim is not informed, so the bench deals with the application ex-parte?

D. Holden.
82, Edgware Road, W2.

Training

From the Director,
Croydon Chamber of Commerce and Industry

Sir,—If Alan Pike (September 5) knows of employers "waiting to start trying to abuse" the Youth Training Scheme, then he should inform the Manpower Services Commission. If, as I suspect, he is making an assumption, he is being, to say the least, unhelpful.

Mr Pike should know that the scheme has in-built checks to prevent some of the limited abuse which occurred with the Youth Opportunity Programme. Managing agencies are required to check regularly on "trainees" in work and the MSC have a separate monitoring system.

As Mr Pike acknowledged, YTS is being knocked already. He should not join the ranks of the knockers, especially in such a general way.

P. P. Manvell.
Commerce House,
21, Scarbrook Road,
Croydon.

Gold

From Mr K. Speyer

Sir,—Personally I have no axe to grind, but the Inland Revenue methods, attempting to stop VAT fraud on gold transactions by confiscation of bullion held and bought legitimately by registered traders, is most puzzling.

It seems to me unnatural justice to shift the blame for tax losses due to administrative weakness on to the trade in general.

If VAT fraudsters in gold cheat the tax man and us all by disappearing before they have paid over the VAT after 3 months this is the direct fault of Customs and Excise tax administration which registers for VAT companies and people without sufficient prior safeguards, personal or bankers guarantees, or interest bearing cash deposits. It ought to be easy to devise a "special gold VAT registration" so that only such VAT registered companies can sell on gold to the trade or public with VAT added, having been thoroughly vetted beforehand by C. and E. as likely actually to pay the VAT collected when it becomes due to be paid.

K. G. Speyer.
208 City Road, EC1

Roads

From the Secretary,
Movement for London

Sir,—Mr Freitag's argument (September 6) that the new British Rail chairman should immediately scrap the study into the potential for rail-to-road conversion in London, demonstrates the railway lobby's reluctance to face facts.

In the 10 years 1972-82 the number of BR commuters arriving daily in central London between 7.00 am and 10.00 am fell by 11 per cent to 391,000: how many BR commuters will there be in 1992? Yet the metropolis has a magnificent Victorian railway network and it is reasonable to ask what proportion of the 505 route miles of BR track in the GLC area is either disused or chronically underused and to investigate if they can be converted to roads.

These railways belong to the nation for transport purposes and it is ultimately the Secretary of State for Transport who decides how they should be utilised. I am sure that Sir Peter Parker recognises that BR does not have the right to control routes in perpetuity when they could be put to an alternative use for the benefit of the nation.

The reason why rail conversion in London deserves to be studied is that the capital's major roads suffer severe congestion especially at rush hours when on principal radial routes average speeds often drop below 10 mph. In comparison with every other major metropolitan area in the West, London's road users have a poor deal from their road network.

Movement for London hopes that the BR study will be impartial and will examine railway lines that, if converted, can yield significant traffic benefits. It would be a waste of money for BR either to look at the idea as a generality, or to look at lines which give little or no benefit to the road user.

MFL with the British Road Federation identified a number of railway lines such as the Hounslow loop line, and the west London freight line which would relieve the notorious traffic bottlenecks in Kew and East Sheen, and at Earls Court, Kensington and Chelsea. These lines would make excellent subjects for study.

Mr Freitag is wrong when he says the studies already commissioned by David Howell have sunk without trace. The Woodhead tunnel study by Reading University was published last month and showed that conversion would give considerable environmental benefit, although there would be no traffic benefit. It concluded that rail-to-road conversion is "neither a panacea nor a nonsense" and that schemes in congested urban areas appear to be particularly "good bets." The Elmers End Study in South London is complete, and we hope to see it published soon.

Together these three studies should provide sufficient information for an informed debate on the feasibility of rail conversion, which if undertaken in London could give substantial traffic relief to busy roads.

Jeremy Hawksley.
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Sizewell

From Mr I. Jones

Sir,—David Fishlock (The Sizewell B marathon, Sept 2) takes a somewhat jaundiced view of the activities of those who have challenged the Central Electricity Generating Board's case at the Sizewell B public inquiry. For example, he suggests that the public interest in safety matters, which he claims are the public's prime concern in decisions on nuclear power, is best served by "professional engineers and scientists . . . not by sparsely funded groups which oppose the project." Elsewhere he refers disparagingly to "diversions" introduced by objectors, including "the exchange rate in the year 2000."

Contrary to the impression which may be conveyed by the article, the issues on which the CEGB has found itself most strongly challenged at the inquiry concern the economics of the project—essentially, whether commissioning Sizewell at the earliest possible date will benefit electricity users. The major component of Sizewell's potential benefit is the expected value of the savings it will yield in the CEGB's fuel bill. Estimating these savings inevitably requires difficult judgments to be made on the future course of world market coal and crude oil prices, and on the level of the real sterling exchange rate, especially during the early years of Sizewell's operating life, up to the turn of the century.

Had Mr Fishlock examined recent inquiry transcripts, he would have recognised that the inquiry now appears to be well-appraised of the potential benefit of the exchange rate "diversion" to the CEGB's economic benefit case—a point which does not, incidentally, emerge at all clearly in the material submitted to the inquiry by the CEGB itself.

No doubt those who review the workings of the public inquiry process will wish to reflect on some aspects of the present "marathon" which appear to involve much time but to generate little potential benefit—such as the reading of all evidence-in-chief in full. Yet the CEGB has advanced a highly complex case for the construction of Sizewell. If it is to be thoroughly tested in the public domain (as well as in the private exchanges between the industry and government—and the limitations of that process were clearly exposed in the Monopolies and Mergers Commission report on the CEGB) there seems little alternative to the relatively protracted public inquiry proceedings which Mr Fishlock, with the fine impatience of the true technocrat, finds so unreasonable.

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هكذا عن التكامل

Barry Riley, Financial Editor, talks to Britain's most flamboyant publisher

Now Maxwell aims for the top ten

Springs

IT HAS been a pretty average week in the life of Robert Maxwell, publisher and printer. On Wednesday he lost a hard-fought takeover battle, failing to gain control of John Waddington, and in the process being ticked off by the Take-over Panel for the over-zealous telephone lobbying of Waddington's shareholders by his assistants.

But by Thursday he was jumping on the last pre-ban BA flight to Moscow to receive an honorary doctorate of science from Moscow State University, the visit typically being timed to coincide with the Moscow World Book Fair.

The alternation of success and failure, of acclaim and condemnation, is all part of the erratic career pattern of a man who was awarded the Military Cross but was also judged by official Department of Trade Inspectors 12 years ago to be "not a person to be relied upon to exercise proper stewardship of a public company."

> "As keen to welcome me as swallowing a frozen dead rat"

Today, in spite of the Waddington setback, Mr Maxwell's career is at a peak. Last Monday he announced a further rapid recovery in the results of the British Printing and Communications Corporation, the near-bankrupt group which he took control of in 1981 before embarking on a drastic survival plan.

Early next year, the final return of BPCC to financial health is due to be signalled by the resumption of dividends and of payments into the pension scheme (where Mr Maxwell demanded a contributions holiday in 1981).

This week Mr Maxwell has been in a mood to celebrate the crossing of a watershed at BPCC, with the virtual completion of major rationalisation. In the process he has achieved a staggering capital gain, at least on paper, of something like £90m on the 78 per cent stake in BPCC he holds through his private company, Pergamon.

Soon he will even find time for a holiday, his first in three years. "I am chief executive, but my job's finished," he says. "I will now continue as chairman, and find somebody else to run the corporation. I will be devoting the bulk of my time to selling the capacity that's being created—I'm a salesman."

Robert Maxwell's control of BPCC is of comparatively recent origin, but his association with the one-time British Printing Corporation goes back many years. His activities at a jointly owned encyclopaedia company, the grandly named *International Learning Systems Corporation*, provided some colourful passages in the Inspectors' report on the abortive attempt by the American group Leasco to buy Pergamon Press in 1969.

During the 1970s Mr Maxwell clawed his way back from the business wilderness, and rebuilt Pergamon's prosperity. Throughout these same years, however, the once-powerful BPC was going through an opposite process of remorseless decline. By 1980 Mr Maxwell seized his chance, and made a dawn raid on BPC's shares.

It was hardly to the BPC directors' liking. "The management fought me off for a year," remembers Mr Maxwell. "Really, they were as keen to welcome me as swallowing a frozen dead rat."

He says that he found a company that was dead, with subsidiaries cutting each others' throats for business. "The customers must have laughed their heads off. I stopped all that. I brought some order into the situation, and laid down principles which made certain that this corporation made a profit." He also added an extra C to the name.

The first crucial step was a ruthless financial reconstruction, which not only left Pergamon with more than the 75 per cent equity stake necessary for it to take advantage of BPC's tax losses, but also stripped out the secured loan stocks from the capital structure.

"The management couldn't threaten closures without breaching the debentures. But I can't permit such nonsense, that prevents me from telling the unions the facts of life."

Next came a drastic survival plan, primarily centred upon the big gravure magazine plants — where last December BPCC concluded a deal with Reed International leading to the closure of Reed's Odhams operation and its absorption into the nearby Sun works, also at Watford. Elsewhere, Mr Maxwell sought big savings at the Park Royal, London, plant which at the time produced the bulk of the Radio Times print run.

Taking on the powerful print unions in this way was a formidable challenge. He succeeded partly because he is a very tough negotiator, and partly because his threats to leave BPCC to collapse were no bluff.

"My plea was, if you don't like it, I'll walk away from it. Your option is not to deal with Reed, but to deal with me or the receiver."

At Park Royal, the challenge has been even greater because of the involvement of the Fleet Street print union branches, the toughest in the country.

After a stoppage by machine branch assistants, Mr Maxwell announced that they had just fired themselves. "And I stuck. I gave protective notices to the whole of BPCC. I am not prepared to negotiate under duress. I'm a negotiator, but don't threaten me, because I'm as good at it as you are. I don't have any committee to consult."

The dispute at the Radio Times plant is still not finally settled, but the bulk of the copies are being printed at other plants in East Kilbride and Leeds. "We hope to come to an amicable conclusion fairly soon," claims Mr Maxwell.

Based in a flat a few yards down the corridor from his office in BPCC's headquarters Maxwell House, just north of Liverpool Street Station, Mr Maxwell has put in punishing seven-day weeks. Even though at 60 his renowned energy seems undiminished, his bulk has swelled noticeably—by 30 pounds, he confesses — under such an unhealthy regime.

His suggestions that he may take more of a back seat role at BPCC, however, are not altogether convincing. At one moment he insists that BPCC is not a one-man band. "If I were run over by a bus today, then they would probably make more money without me." At another he shows a quite different face. "I've shaken this place up and I sure as hell have got control, and everybody knows it."

One likely development, however, is that the corporate structure will have to be rethought. Once BPCC's past tax losses have been used up, the need for such a dominating Pergamon shareholding will disappear. This could happen within a year or two.

But Mr Maxwell complains that he is trapped in a Catch 22 position. "If I were to sell some of Pergamon's holding in BPCC everybody would say 'My God, there must be something wrong, Maxwell's cashing in his chips.' But if I don't sell them, people will say it's too tightly held."

He says that some of his advisers would like to see Pergamon injected into BPCC, which would give him a still greater percentage holding — hardly attractive to the many City investment institutions who are not keen to be part of a small minority in a Maxwell company.

But Mr Maxwell is also planning acquisitions. "Once the corporation tax pooling has gone, in the natural order of things we shall be acquiring companies, and that will widen the share ownership."

National newspapers still form part of Robert Maxwell's future plans, though he insists he will be a printer, not a publisher. He claims that his plans for an East London contract printing plant are going ahead.

"We're going to get the plant up in the next 18 months —a small one, I might say. We are ready to sign contracts for the land with the Dockland Corporation."

He is coy about which newspapers he might be printing, though he claims to have had talks with "several" newspaper proprietors as well as informal discussions with the print union leaders.

He still hopes that the Telegraph might resume the talks it broke off in favour of its own project for a new printing plant, and he thinks other papers may decide to go for contract printing. "In the end I think they'll have to" he said). At any rate, Mr Maxwell insists: "We don't put up plants on spec."

But these days Robert Maxwell appears to have far wider aims than Fleet Street could satisfy. The one-time Czech farm labourer's son, Labour MP and now multi-millionaire, admits to just one more ambition in life.

"There are going to be ten mammoth corporations in information and communications, and I am modestly bidding for one of the ten places, globally. That's one of the arguments for putting Pergamon and BPCC together," he says.

"I would like to make certain that our country and this corporation play a leading part in the world in benefiting our customers and our profits, by being at the forefront of harnessing this new technology."

But there can be a big gap between running a major company and a relatively small one like Pergamon. There must be doubts about Mr Maxwell's ability to delegate authority. His personal mixture of charm and intimidation can be an unsettling one; whoever takes the job of his number two will not be signing on for a comfortable position.

He is still a long way from regaining full respectability in the City of London, as the Waddington affair has shown. The bid attempt ended not only amid the complaints about telephone canvassing, but also with a flurry of accusations from Kleinwort Benson, Waddington's advisers, that Mr Maxwell may have seriously underplayed the planning permission obstacles to his scheme to lease a large part of the Odhams site in Watford as a hypermarket development.

> "I sure as hell have got control, and everybody knows it."

But after his *astonishing* return from the entrepreneurial scrapyard in little more than a decade, nobody will be underestimating Robert Maxwell. "Don't cart me off to the cemetery," he says. "I've still got quite a way to go."

Even his spare-time journalistic activities aim high. He edits a series called "Leaders of the World" and is currently putting the finishing touches to a volume of the speeches and articles of Mr Yuri Andropov. He was previously the publisher of Brezhnev's official biography.

He does not, however, restrict himself to Communist leaders. "We're giving serious consideration to Mrs Thatcher, now that she's put on Churchill's pants."

Weekend Brief

Behind China's new wave of crime and punishment

Robber being led before firing squad in Shenzhen

A gang kidnaps 150 women and children and sells them as brides and slave labourers. In Shanghai, 9,800 people are convicted over a nine-month period of stealing State money and property totalling U.S.$9m. Three hundred youths are caught presenting forged middle school graduation papers at an army recruiting centre.

Crime and corruption, from violent armed robbery and murder to petty theft and nepotism. The evils which China once gave the West to believe had been virtually eradicated—or at least seldom admitted—have become a daily feature of Chinese Press reports and the country's leaders are worried, as reports from Peking revealed this week.

Two weeks ago, at Peking's Workers' Stadium, 29 male prisoners and one female were paraded before a crowd of more than 80,000 people. China's supreme leader, Mr Deng Xiaoping, made a rare public appearance to warn that crime was threatening the stability and economic goals of the nation. Then the prisoners, mostly convicted murderers and rapists, were led away to be shot.

The mass execution, and others in Shanghai and Tianjin in recent weeks, are part of a drastic campaign that the Chinese leadership has determined will within three years restore China to the ostensibly crime-free era of the 1950s. As a first step, more than 100,000 people suspected of criminal activity will be rounded up before the spring festival next February. Those found guilty of a newly expanded range of seven capital offences, including economic crimes, will be executed. Lesser criminals will face extended jail terms or be transported to labour reform camps or work teams opening up the desolate far west.

The suddenness and severity of the crime purge has raised the spectre of the kind of abuses and forced exile which befell many innocents during the Cultural Revolution. The Chinese leadership sees it as the only course to halt what it sees as a dangerous slide in public morality and commitment to *revolutionary ideals*.

China does not publish comprehensive crime statistics. In June, the Ministry of Public Security, which runs China's police, released a bold statement that there had been a 15.9 per cent drop in reported crime between 1981 and 1982. This was proof, the ministry said, that "public order as a whole has improved."

A week later, what appeared to be the true attitude of the hierarchy emerged when the Minister of Public Security was replaced and the ministry lost control over the powerful areas of national intelligence and counter-espionage.

The shake-up also followed perhaps the most dramatic case of serious crime in recent years, the first successful hijacking of a Chinese domestic aircraft to South Korea. The incident forced China to go to the capital of a country it does not recognise to negotiate the return of the Trident jet, and accept Korea's refusal to hand back the six hijackers. It also showed the Chinese public and the world the serious deficiences of China's internal security system.

More common are cases of bureaucrats embezzling government funds or granting special favours to their families and friends. The feudal customs of trading in women and children have shown a resurgence. Prostitution, once almost unthinkable in Communist China, is appearing again in the cities. In response to the Government's attempts to halt China's crippling population explosion by limiting families to one child, thousands of parents determined to have the traditional male heir are killing their newborn daughters.

But crime in China is nowhere near the level it is in most other parts of the world. Its resurgence is, at least in part, an ironic consequence of the more liberal social and economic policies adopted in China over the last five years—the same liberalism which enables the unpalatable reality to be admitted.

The new public security minister, Mr Liu Fuzhi, has blamed "lax and ineffectual" policing as a main cause. A more likely explanation has been given recently by several other leaders who see cynicism about the law and mistrust of the Party as a legacy of the 11-year cultural revolution during which an estimated 40m Chinese died, many of them persecuted merely for being identified with the wrong faction.

The economic reforms of China's benign new leadership have created a relatively affluent middle class in a society where most people still subsist as peasants and labourers. The new "responsibility system," which encourages people to increase their living standards through individual enterprise, has fuelled a new materialism that has made work for the Party's sake an unattractive alternative.

Many Chinese youth no longer accept what the party says as gospel. They are aware of the world outside and they want jobs to fit their education and aspirations. With greater freedom of movement, many of them drift into the urban gangs which are now a prime target of the anti-crime purge.

Bank managers working for children's books

FUNGUS the Bogeyman, Captain Pugwash, and other friends request the pleasure of your company under the Sign of the Black Horse during the first week in October. Balloons will be worn. RSVP.

For the sixth year running Lloyds Bank is sponsoring Children's Book Week: events, displays, authors' visits and ballyhoo about children's books, nationwide. Local bank managers, librarians, booksellers, teachers and parents are running to keep up. The National Book League, which provides central organisation, display material, and advice, is very pleased. So, it would seem, is Lloyds. Recognising the value of "an opportunity to approach young people in a pleasant way," the bank has extended financial help—£13,000 this year—well beyond the usual life-span of such schemes, which is three years. Lloyds also supports the School Bookshops Association.

"They really do a great deal for children—all that stuff at the Barbican this summer, too —and local branch managers are really great," says Dorothy Woods, administrator of the Children's Book League. Not all, of course, have space for book and poster displays, but Mr Leslie Hew, of Lloyds at Mildenhall in Suffolk, sallies forth to visit Lower and Middle schools, distributing stickers, posters, and alerting teachers and children to the event. And Mr Michael Miles, manager of Lloyds at Hebden Bridge, in Yorkshire, is running his own Design-A-Book-Token competition, side-by-side with the national one arranged for Children's Book Week.

"I'm giving five prizes—book tokens or books—in each of the four age groups. I can't expect that a local child will win a prize nationally, so I thought I'd run a competition, too. It's a way of using my entertainment allowance: better, I think, than taking business customers out to lunch."

Mr Miles is enthusiastic about the Week, and will have a display at his branch. His prizes will run to £3-£4 apiece. "Entries will be judged by a few of my artistic customers." With the Black Horse Young Savers scheme under way, and branch business segmented nowadays, Mr Miles is properly conscious that "they're tomorrow's customers, aren't they? At least some of them will be getting a good book."

Val Biro, author-illustrator, owner-driver of the 1926 Austin Clifton car which stars as "Gumdrop" in his popular series of books for younger children, is one of many authors who will be stumping the country during Children's Book Week. It will be launched nationally at noon on Friday, September 30, in the Piazza at Covent Garden in London; with three steel bands, a fancy dress parade of children's book characters, and Maggie Philbin, go-anywhere-do-anything superwoman of BBC/TV's Tomorrow's World.

Tomorrow's world will be pretty bleak without more children reading books for fun, as a habit. Children's book sales have sagged badly—by nearly 40 per cent during the past 10 years—and the heat is on throughout the book trade: fewer children reading means fewer adults reading in the future. Lloyds has an eye on the future, too. But they can fairly claim to be the "reading bank" these days.

A case for identity cards for soccer fans

LAST SATURDAY we knew the football season had really started: the Chelsea mob ran riot in Brighton and the Leeds louts went on the rampage in Middlesbrough. Nobody, of course, should have been surprised by these events, nor by the equally predictable laments and pronouncements from the clubs, managers, chairmen, police, Government, Football League, Football Association and media which followed.

There were the usual calls for stiffer sentences, vigilantes, ground closures, heavy fines of offending clubs and more police, who are already charging the clubs for use inside the ground and the taxpayer for the much greater number required outside a small fortune. The FA are to hold yet another investigation and the Minister for Sport has ordered an inquiry into why all the time spent liasing between the clubs and the police last sumer to combat football hooliganism has already failed.

The sad truth is that soccer violence has been with us for more than a decade and apart from inside the grounds there has been little improvement. Indeed the gangs seem to have increased in number which suggests new approaches are already overdue.

As presumably we are not yet prepared to employ riot police continental style, one method which might work would be to issue football club identity cards. These would be obtained from the local club by the applicant who would be charged a small nominal sum. It would contain a photo as well as name and address. A football identity card would be required to gain entrance to any league ground or for purchasing a match ticket, unless one was prepared to pay an additional surcharge of, say, £25 for not having one. Misbehaviour would automatically mean loss of the card for a very long time and the high cost of going to matches without one could prove a useful deterrent.

In addition it might pay for police in supporters' scarves and jeans to infiltrate the football crowds. Both ideas would cost money but in the long term could prove useful investments.

Contributors
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Gay Firth
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Economic Diary

TODAY: EEC Finance Ministers informal meeting (Sept 10, 11), Cephalonie. Pope John Paul II begins visit to Austria (until Sept 13). Militant newspaper rally "Marxism in Our Time—Socialist Policies for Labour," Wembley Conference Centre. Mr Robert Mugabe, Zimbabwe Prime Minister, arrives in Washington (until Sept 15).

TOMORROW: SDP annual conference opens (until Sept 14) at Salford University (address by president Mrs Shirley Williams). IMF annual report. Mr George Bush, U.S. vice-president, begins tour of North Africa and east European countries.

MONDAY: August Provisional Retail Sales Index. Bank for International Settlements meets in Basle to discuss emergency funding for IMF. Dr David Owen, SDP leader, addresses annual conference. Mrs Margaret Thatcher chairs seminar on science, technology and industry speakers include: Mr Michael Heseltine, Defence Secretary, Mr Kenneth Baker, Minister of Industry; Sir Keith Joseph, Education Secretary; Mr Cecil Parkinson, Trade and Industry Secretary; and Sir Clive Sinclair, chairman of Sinclair Research. European Parliament plenary session begins, initial debate on Community's supplementary budget for current year, and draft budget for 1984.

TUESDAY: Construction output for second quarter. Building Societies' monthly figures for August. Mr Mugabe meets President Ronald Reagan.

WEDNESDAY: July indices of average earnings. August indices of basic rates of wages. SDP conference ends. Association of District Councils statement against Government's "rate-capping" plans, London.

THURSDAY: UK Atomic Energy Authority annual report. Index of industrial production (July provisional). Opec oil price monitoring committee, Vienna. National income and expenditure 1983 edition Blue Book. Quarterly inquiry into manufacturers and distributive and service industries capital expenditure (2nd quarter). Quarterly inquiry into manufacturers' stocks (second quarter). Quarterly inquiry into the money stock (August). London dollar and sterling certificates of deposit (August).

FRIDAY: August Retail Prices Index. Tax and Price Index for August. Usable steel production (August).

European Ferries profits climb £3.9m at midway

FOR THE first six months of 1983 taxable profits of shipping, property and banking group European Ferries expanded by £3.9m to £8.9m and the interim dividend is lifted from 1p to 1.1p net per 25p share.

For the whole of 1982 profits reached £30m and the total dividend paid amounted to 3.35p. The directors then said they expected profits in the current year to show a satisfactory improvement.

Six months' turnover was virtually unchanged at £119.8m, against £120m, and with the pre-tax figures were divisionally split as to: shipping £86.6m (£76.6m) and £1.2m (£1.8m loss); harbour operations £18.4m (same) and £4.3m (same); banking and property £14.8m (£25m) and £3.4m (£2.5m). The shipping profit includes £0.4m in respect of ship disposals.

The directors point out that the 1982 accounts reflected the merger with Gakopa NV on July 2 1982, and accordingly results for the comparative first six months of 1982 have been restated.

Pre-tax surplus for the 1983 first half included associate companies' share of £3.2m, compared with £2.3m. Tax charge took £3.8m (£2.9m) and after minority interests £0.5m (£0.4m) and extraordinary debits £0.4m (£0.3m credits), the attributable balance was £2.2m higher at £4.2m.

Earnings per share are given as 1.7p, at the halfway stage, against 0.6p.

Pursuant to the circular to shareholders on June 3 1982, in connection with the deal with Noramco, a maximum additional 20m shares may fall to be allotted in specific circumstances. In the event of their issue, directors state that cash sums will be payable equal to the net dividends that would have been paid had the shares been issued on July 2 1982, such sums to carry interest until paid.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bertam Holdings ...int.	0.88§	Sept. 30	0.88	0.88	0.88
Charterhouse Pet. ...int.	0.25	Oct. 19	0.25	—	0.75
Edmond ...int.	0.33	Oct. 28	—	—	—
Euro Ferries ...int.	1.1	Jan. 3	1	—	3.35
Estates Property ...	5.25	Nov. 1	4.75	8	7.5
HB Electronic ...‡int.	0.42	Nov. 10	—	—	—
Haynes Publishing ...	7.5	Oct. 31	6.25	11	9.25
Home Counties News int	1.75	Oct. 28	1.75	—	5
Minty ...int.	2	—	2	—	4
Second Alliance ...	8	Oct. 21	7.35	10.75	9.6
Sharna Ware ...int.	0.9	Oct. 18	0.9	—	2.23

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § In lieu of final. Preliminary announcement of figures for year to March 31 1983 to be made shortly. ¶ Compared with forecast of 0.25p.

Charterhouse Petroleum down pre-tax but maintains interim

FOR THE six months ended June 30 1983 taxable profits of oil and gas exploration and production group Charterhouse Petroleum were down from £5.94m to £4.96m, but the interim dividend is maintained at 0.25p net per 25p share.

Turnover fell from £10.63m to £9.14m for the first half, and while increased exploration activity led to higher costs—exploration amortisation amounted to £2.12m (£1.02m)—a consequential reduction in petroleum revenue tax from £1.93m to £464,000, has left the attributable balance higher at £2.26m (£1.93m).

Dr J. Birks, chairman, says that the directors aim to seek to secure further crude oil and gas reserves through exploration and appraisal drilling, and through acquisition.

"This corporate objective has been achieved to date with the minimum impact of the company's liquid cash resources which are earmarked to support seismic acquisition and drilling programmes."

Cash reserves remain strong, the chairman adds, while the company's net acreage position has increased substantially and further oil and gas reserves have been found with the discovery of the Eltrick Field and the gas discoveries in Block 12/27 and Godley Bridge.

Dr Birks says that in order to supplement these cash resources, which stand at some £30m, and to maintain a strong financial position Charterhouse has recently arranged a revolving credit facility of U.S.$20m through a consortium of banks.

"As a result of these arrangements we are well placed to continue to expand upon the early successes of our exploration programme."

Profit from oil production, before duty, was down from £6.57m to £5.39m, supplementary petroleum duty took £1.65m last time, disposal of investment credited £241,000 (nil), associates losses £20,000 (£47,000), interest £227,000 (£333,000) and after the exoloration amortisation, trading profits came out at £3.26m, against £3.51m.

The pre-tax figure included interest receivable, down from £2.36m to £1.51m, and exchange gains of £185,000, compared with £64,000.

After the much lower petroleum revenue tax charge, corporation tax, £2.24m (£2.07m), and dividend cost, £210,000 (£200,000), there was £2.05m (£1.73m) retained which was transferred to reserves.

Earnings per share are shown as 2.69p, compared with 2.29p.

As a result of the 1983 Finance Act, which significantly extends the categories of exploration expenditure allowable against the group's Thistle Field petroleum revenue tax liability, and taking into account the company's extensive exploration programme, directors have decided it is unnecessary to make further provision for deferred petroleum revenue tax.

● comment

Charterhouse Petroleum's interim figures show ho wit has gained from the tax changes in the last Budget: the petroleum revenue tax charge was only £462,000, as against almost £2m. Petrolem revenue is something Charterhouse is increasingly in need of, as income from Thistle tails off. On the face of it, the company—with £30m cash—might look like a suitable target for BP's mail order hard sell of the Forties, but Charterhouse points out that this kind of opportunity is by no means unrepeatable. Also Charterhouse would probably be interested in the British Gas north sea oilfields, if the Government pulls back from its plan to float the interests as a separate public company. However, Charterhouse has many interesting prospects of its own, without resorting to the second-hand market. Its UK onshore acreage in Sussex is currently being drilled, and for lovers of fashion, the company can point to its interests in the Irish Sector of the Celtic Sea, where the initial well revealed hydrocarbon shows. Next year Charterhouse will be spending money quicker than it earns it and it will want to keep its cash pile dry for exploration and appraisal. When it comes to acquisitions the company might well feel that at 135p, up 2p, the share price is at a level which makes funding by paper perfectly justifiable.

Mining Supplies accounts query

BY RAY MAUGHAN

THE auditors of Mining Supplies have not yet completed their investigation into the VAT irregularities announced by the group last February. Accordingly, the accounts published yesterday for the year to April 30 have been qualified to the extent that "it is not possible at this stage to determine with accuracy the amount of income not previously included in the accounts and any consequent liabilities under the Taxes Acts which may fall on the company."

The February announcement, which coincided with the resignation of the chairman, Mr Arthur Snipe, stated that the sum of £660,000 has been received on account. The notes to the accounts now show that the outstanding VAT, together with an accompanying penalty, has been discharged out of this sum and a further substantial amount has been paid on account of corporation tax.

The board points out that "the balance of the amount received has not been brought into the profit and loss account, but is being carried forward until the matter is settled. As and when the final figure is agreed, this will be fully disclosed to shareholders, but in the meantime the directors confirm that they have no reason to believe that full restitution will not be made."

The group, which is to be renamed MS International, has provided £2.26m against the cost of rationalisation in the Doncaster and Laurence Scott divisions. The effect on the balance sheet has, however, been partly mitigated by a £1.56m transfer from capital reserve arising on consolidation.

The capital reserve was created by the discount on assets Mining Supplies paid when it acquired Laurence Scott. This is now released, in part, following the disposal or closure of some of the subsidiary's activities.

Mining Supplies has, nevertheless, taken an attributable loss for the year of £2.35m, or £3.3m after a current cost adjustment, whose effect is to cut net worth to £15.23m.

Net debt is shown at £15.35m and, writing his first chairman's statement since his recruitment from Pegler-Hattersley, Mr Ken Blair tells shareholders that "the necessity to reduce borrowings particularly in the Laurence Scott Division remains one of our principal objectives.

"In the meantime, we are appreciative of our bankers' continuing support through this difficult period, and we are heartened by the fact that adequate facilities have recently been made available to the division, for a further 12 months."

A claim amounting to about £2.35m has been received in respect of an alleged breach of a representation claim, but the board says that Mining Supplies has a good defence against the claim "and accordingly no provision in these accounts is considered necessary."

The emoluments received by the former chairman rose last year from £25,725 to £80,585.

DoT moves on Chancery Registrars

The Department of Trade and Industry is seeking to liquidate Chancery Lane Registrars. The Department has made its move folowing confidential inquiries under section 109 of the Companies Act 1967.

The Secretary of State has presented a petition under section 35 of the Companies Act 1967 to the High Court for the winding up of Chancery, which has been described as a management company for liquidators.

The court has appointed the official receiver as professional liquidator of the company pending the hearing of the petition.

Thorn EMI

Trading profits of Thorn EMI in the first four months of the year were a little better than expectations, and well ahead of last year's poor figures for the same period, Sir Richard Cave, chairman, told shareholders at the annual meeting.

However, he said, the company must be cautious concerning the profit expectation for the second half of the year. At last night's close the shares had shed 30p to 592p.

Questions asked about J. Brown compensation

IN HIS first session chairing the annual meeting of John Brown, the new chairman Sir John Cuckney was faced with questions concerning the £180,000 compensation payment to the former chairman Sir John Mayhew-Sanders.

One shareholder claimed that the payment "smacked of a cover-up" and asked why the group had not fought the matter in the Courts.

Sir John replied that going to court could have cost the company twice as much in compensation because it had not fulfilled an agreement to renew the ex-chairman's five-year service contract every year. He claimed, also, that shareholders' approval was not necessary to make the payment.

Moving on to the company's position, he said recovery "isn't going to be speedy and will be exceedingly difficult." It would take some time for the group to benefit from the pick-up in the economy, and it would have to take a hard look at its range of activities with a view to specialising more.

Following the failure to sell the gas turbine business to Hawker Siddeley, Sir John said the directors were reviewing a number of actions with their advisers. He refused to discuss the likely future of that division, but said: "I still believe we ought to form an association with a group providing a much wider range of power generating equipment and would prefer it not to be through a total sale."

The chairman admitted that the present level of bank borrowing was "excedingly uncomfortable and far too high" and that it would take several years to get it to an acceptable level. He firmly rejected proposals of a rights issue. The increase in the borrowing limit, already hinted upon, would be from one and a half times to twice shareholders' funds.

Before the annual meeting took place yesterday the company announced completion by its American subsidiary Leesona Corporation of an $8m sale and leaseback of its plant at Warwick, Rhode Island, and the disposal of its controlling interest in Tooling Products (Langrish) for some £1.9m.

Tooling Products, of Petersfield (Hants) is the market leader for the supply of teching was "exceedingly uncomnologically advanced moulds to the plastics processing and automotive industries. Brown retains about one-third of the equity.

Youghal in black as cost cuts take effect

MANY OF the benefits of rationalisation and cost reduction are beginning to show through at Cork-based Youghal Carpets (Holdings), and for the 26 weeks to July 2 1983, the group has turned in a trading profit of I£1.11m, against a loss of I£586,000 for the corresponding period and I£879,000 for the year 1982.

However, the directors are discouraged by the current difficulties in the Irish market and, although there are indications of recovery elsewhere, the prolonged fine weather has not helped retail customers.

"We now await the outcome of our major selling season which traditionally occurs in the last four months of the year," the directors tell members.

For the interim period turnover was maintained at £22.65m (£22.66m). Taking account of interest charges £1.21m (£1.14m) leads to a pre-tax loss of £101,000, compared with £1.73m — this had been pushed up to £3.14m at the year-end.

After extraordinary debits £131,000 (£587,000 credit plus £90,000 tax adjustment) there is a net loss of £232,000 (£1.05m). Per share this equals 2.3p (9.9p).

Dividend lift from Haynes Publishing

A FINAL dividend of 7.5p from the Haynes Publishing Group makes a total of 11p net for the year ended May 31, 1983, an increase of 1.75p over the previous term.

Turnover of the group, whose publications deal mainly with motor cars and motor cycles, moved up by 15.4 per cent, from £6.02m to £6.95m, while the profit before tax advanced by 25.6 per cent, from £893,000 to £1.12m. The figures reflect good steady progress with 122 new titles and second editions published.

Haynes Publications Inc continues to expand steadily. Turnover in the U.S. was up at £2.2m (£1.66m) and profit to £302,000 (£175,000), and shows an even faster growth rate than the UK operational companies. The latter produced turnover of £4.75m (£4.37m) and profit of £820,000 (£718,000).

The first few months of the current year "have started well" reflecting last year's upward trend.

After tax £536,000 (£418,000) and minorities this time £1,000, the 1983 attributable profit came out at £585,000 (£475,000) for earnings of 11.7p (9.5p) per share. The dividend cost is £184,000 (£151,000) — Mr J. Haynes, chairman, and Mrs A. C. Haynes have waived their rights to dividends in respect of their beneficial holdings for all accounting periods up to May 31, 1984.

Home Counties Newspapers midterm drop

Continuing difficult conditions outside London are reflected in the first half results of Home Counties Newspapers, which has experienced a drop in profit before tax from £165,000 to £134,000. The interim dividend is being held at 1.75p but a decision regarding the final will be made in the light of conditions in the remainder of the year.

The directors explain that difficulties surround the papers published outside London, and they have been unable to improve their performance. Turnover for the 26 weeks ended July 1 1983 improved from £5.44m to £5.79m but trading surplus fell from £161,000 to £128,000.

Outside the greater London area, the group's publications serve Bedfordshire, Hertfordshire and Buckinghamshire. Its parent company is County Newspapers.

After tax £76,000 (£86,000) the net profit was £58,000 (£79,000) for earnings of 2.32p (3.15p). For the year 1982 the group made a profit of £238,000 and paid a total dividend of 5p.

Ronson scheme

The receiver of Ronson International, the failed cigarette lighter and electric shaver group, has been able to negotiate terms with third party interests "which could result in full repayment of all unsecured creditor claims over a period of time." Some 450 suppliers are owed approximately £1.5m.

After a meeting with unsecured creditors earlier this week, Mr Clive Sherling of Arthur Andersen is to put a formal scheme of arrangement through the Court. This is understood to be the first occasion in which a receiver has proposed such a scheme. The alternative, unsecured creditors heard, meant that there would be no surplus funds available to them after the receivership.

Britannia Arrow

The comment on the interim results of Britannia Arrow Holdings in yesterday's edition referred to the acquisition of National Mutual Life. This should have read National Employers Life as stated in the main report on the results.

Unigate

The upward trend at Unigate, consumer and industrial services group, had continued into the current year, Mr John Clement, chairman, told shareholders at the annual meeting.

Ashcroft boosts stake in Cope Allman to 29.99%

BY DAVID DODWELL

The Hawley Group, headed by Mr Michael Ashcroft, yesterday emerged with a 29.99 per cent holding in Cope Allman, the packaging, leisure and engineering group, following a successful tender offer for shares.

Mr Ashcroft, who until yesterday held a 20.18 per cent stake in Cope, had invited shareholders to tender shares at prices up to 85p. In the event, he managed to acquire the 3.875m shares he needed at 77p apiece—which cost him just under £3m.

Cope's shares were suspended at 72p ahead of announcement of the tender result—down 1½p on the day—and did not return from suspension before the end of trading.

Cope, which in April successfully fought off a £23.7m bid from the Dowable consortium, had called on shareholders not to accept the offer. In an effort to thwart it, annual results had been brought forward.

Mr Louis Manson, Cope's chairman, yesterday said he was disappointed that Mr Ashcroft had succeeded in building his stake up to 29.99 per cent "However, the fact that he had to pay that much for a small minority block is ample justification that the price for control of the company would have to be substantially higher."

Mr Ashcroft earlier expressed an opposite view. When announcing the tender, he said he was willing to pay a premium price for a "strategic stake."

Mr Ashcroft now holds the highest stake possible without having to make a full bid for the company. While he has openly talked of interest in making a full bid, he will not be able to make such a move until at least next May.

This is because he was a member of the Dowable consortium, and as such is not allowed to bid for Cope until a year has elapsed from their bid. Unless he is willing to bid at 77p or more, he will not be entitled to bid until next September.

Satisfied at the outcome of the tender offer, Mr Ashcroft said he was now looking forward to seeing Cope's full report and accounts: "I will also have the luxury of seeing figures for the first half of next year before I make a fresh move," he said.

During the course of the bid, Cope had expressed concern that Mr David Wickens—who heads British Car Auctions, is a friend of Mr Ashcroft and was with him as a member of the Dowable consortium—had retained a 13.6 per cent stake in the company. Their request to the Takeover Panel that the two should still be regarded as acting in concert was rejected.

It was understood last night that while Mr Wickens had tendered his shares, they had all been tendered at a price higher than 77p, so remain in his hands. In this case, Mr Ashcroft and Mr Wickens together now control 44 per cent of Cope's shares.

Mr Manson, noting that the company remained vulnerable to a bid approach, said yesterday that Cope was in an even worse position following the tender: "Any potential bidder now knows exactly where to find 44 per cent of our shares," he said.

GIBBS INSURANCE

Gibbs Insurance Holdings recommended offers for Hartley Cooper Holdings have become unconditional as to acceptances.

Acceptances have been received in respect of 1,689,077 shares representing 93.46 per cent. The offers remain conditional on the passing at an extraordinary general meeting of Hartley Cooper, on September 12 1983, a resolution to effect a capital reorganisation.

LONG AND HAMBLY

Agreement has been reached in principle whereby Metzeler (UK) will acquire the rubber to metal bonding operations of Long and Hambly to form one of the UK's largest suppliers of these products to the European automotive industry.

C E HEATH

C. E. Heath has acquired a 45 per cent stake in Eric Montzfeldt and Co, a Montreal based insurance broking company, for C$800,000 cash. Mr J. J. Burton and Mr P. F. Dawson will join the board of Montzfeldt.

EDWARD JONES

Centreway Industries has disposed of its holding of 1.02m Edward Jones ordinary (23.7 per cent) and of £38,000 nominal of 15 per cent convertible unsecured loan stock for £242,000 cash, net of commission.

The holdings have been acquired by Mr Nicholas Morris, Dr Richard Petty and associated parties.

JOHN BEALES

An agreement was signed on September 8, 1983 between Marathon Knitwear of Nottingham, a subsidiary of John Beales Associated Companies, and Abbey Hosiery Mills of Nuneaton to acquire jointly the South Knighton Dye Works of Leicester.

FITCH ACQUISITION

Fitch & Company, design consultant, has exchanged contracts for the acquisition of additional freehold premises at 18 Hanway Street, London, W1, for £430,000, which will be satisfied on completion around September 30.

The premises, which are opposite the existing head office and comprise some 4,500 sq ft, have been valued at £450,000.

The consideration will be met by £5,000 cash, and the balance by the issue of 158,173 Fitch ordinary 10p shares.

PETER BLACK

Peter Black Holdings has purchased J. S. Textiles, of Whitefield near Manchester, a company specialising in the manufacture of bedding and curtains.

Total net cost of the acquistion is expected to be about £250,000. This addition will enable the group to speed up its planned expansion into homeware.

CAMELLIA SALE

The Camellia Investments group has strengthened its financial liquidity with the sale for £1m cash of Jorehaut Tea.

SHARE STAKES

Brockhouse—Caparo Industries acquired a further 200,000 ordinary shares (100,000 on July 11 1983 and 100,000 on September 8 1983) thus increasing its total holding to 2.85m shares (16.4 per cent).

Scottish Heritable Trust—Witan Investment Trust company is interested in 875,000 ordinary shares, representing 6.14 per cent of the issued ordinary share capital.

Warner Estate Holdings—The company has purchased for cancellation a further 10,000 ordinary shares at 407p per share.

Rock—Mr Michael Hartland and companies in which he holds controlling interests, have acquired a further 120,000 shares to take total holding to 5.09 per cent.

Sapphire Petroleum—The United Kingdom Temperance and General Provident Institution now holds 1,987,188 shares (approximately 15 per cent).

Watts Blake Bearne and Co—Ditat Nominees (PFS), Op A/C (Bank of Scotland 1976 Pension Scheme) has acquired further 100,000 ordinary shares bringing the total holding to 900,000 ordinary (5.4 per cent).

Milletts Leisure Shops—N. M. Limbard St Nominees disposed of 25,000 ordinary reducing holding to 235,000 ordinary (4.52 per cent).

British Dredging—Mr J. P. Adams, director, acquired further 50,000 ordinary increasing holding to 250,000 (1.45 per cent).

Reynolds Diversified deal nears completion

By Charles Batchelor

THE RIGHTS issue and "piggy back" take-overs aimed at giving shareholders in Reynolds Diversified, the controversial oil and gold exploration company, a stake in a publicly-quoted company moved a stage nearer completion yesterday.

Reynolds, which is incorporated in Nevada, has been attempting to regain a listing for its shares, to enable it to value its mineral reserves, since it was suspended rfom trading on the London Stock Exchange 18 months ago. A market has since been made by several UK licenced dealers.

The company announced yesterday the rights issue intended to raise $11.2m (£7.5m) to finance the purchase of the Kitzbuhel Development, a 10-acre hotel site in Austria, had raised $9.74m. It had set itself a minimum subscription level of $9.5m.

Reynolds originally intended to close the period for which the rights offer ran in April, but was forced to extend it when take-over offers were made by Pennant Pacific Resources (PPR) and subsequently by Asia Oil and Minerals (AOM).

PPR is a gold and precious metals group based in Toronto, Canada, while AOM is an Australian gold and oil exploration company.

PPR declared yesterday that its £13.5m all-share bid for Reynolds had gone unconditional with acceptances from holders of more than 50 per cent of the equity although the exact level of acceptances was not immediately available.

AOM, whose all-share £21m bid for PPR was conditional on the success of the PPR bid for Reynolds and of Reynold's rights issue, also said yesterday it had received acceptances from the holders of more than 50 per cent of PPR's shares.

AOM's offer will not be formally declared unconditional however until an extraordinary meeting to be held at its offices in Double Bay, New South Wales, on Monday September 12.

This meeting must approve an increase in the authorised capital and in the size of the board.

Mr Lynne Brooke, Reynolds chairman, and three PPR board members have been proposed for membership of the AOM board.

AOM is listed on the Australian stock exchanges and is also traded in London uner Rule 163, governing stocks listed on an approved overseas stock exchange.

Mr Brooke said: "Subject to the AOM bid being declared unconditional I am very happy that Reynold's shareholders will have freely marketable shares in a fully-listed company."

Results due next week

After a lacklustre year to June 1982, when profits were down 48 per cent, Consolidated Goldfields has shown a marked improvement in the second half of the current year. Preliminary figures due on Thursday are expected to be around £90m with earnings per share of about 30p down from pre-tax profits of £96.8m and earnings per share of 39p. The profits decline has been arrested by drastic action in the U.S. where the loss making Skytop Brewster concern has been sold off and Consolidate Goldfields decision to stick to the areas it knows well, mining precious and base metals. A higher gold price, a strong contribution from Newmont mining and from ARC in the UK, along with good exploration prospects in Australia, points to a prospective pre-tax profit of £110m for 1983-84.

Bid rumours surrounding Bowater Corporation seem to have evaporated, and the market is now awaiting interim results from the company on Tuesday. Most expect around £26m pre-tax, against the comparable figure of £42m. As for the dividend, it is generally expected that Bowater will pay out the same in total as last year's reduced amount, but the balance may be shifted in favour of the interim payout. The yield of around 5 per cent, is well below historical levels and suggests that the market is looking towards a major recovery in the U.S. newsprint operations in 1984-85. This year that business is unlikely to contribute more than $100m at the trading level, half the amount of two years ago. As regards full year profits, Bowater should make about £60m, down from 1982's outturn of £72.5m.

Tuesday will see the BTR and Thomas Tilling figures announced separately for the last time, as for the full year Tilling will be consolidated into BTR results. For the six months to July 3 BTR should come in with pre-tax profits around the £59m mark. In the UK margins and profits should be up on last year's comparable level, whereas in BTR's western region increased margins will make up for the fact that sales haven't improved much. In the eastern region, which includes South Africa and Australia, profits will be lower given the current depressed state of those two economies. Analysts expect Tilling to come in with first half pre-tax profits of about £30m. This figure is well up on the first half of last year, but looks a little light against the Tilling full year forecast of £90m pre-tax in its unsuccessful defence against the BTR bid. In the longer run the question is whether BTR pushes up Tilling margins to its own high levels. And will there be any digestion problems? Most analysts are optimistic, and for the full year (which includes the second half results from Tilling) are looking for BTR pre-tax profits of about £163m.

Results of British Aerospace for the six months to June are due to be announced on Tuesday. Estimates of pre-tax profits range from £5m to £47m depending first on when the £100m provision set aside for losses on civil aircraft sales is applied, and second on whether the cost of closing the Hurn factory is included in this year's figures or next. The release of the results should at least allow analysts to work out the true position of BAe. The crucial question is whether we are finally seeing an upturn on the civil aircraft side. If the airlines begin to replace their ageing fleets with the new generation aircraft like the Airbus and the BAe 146 then the prospects for profitability will start to look brighter. On the military side the Government decision to purchase the ALARM missile has provided a welcome fillip.

Eagle Star Holdings and Legal and General Group both report their interim results on Wednesday and, following the pattern of other insurance groups, should show considerable improvement on last year's poor results, simply because of the better weather in the UK last winter. Eagle Star is expected to show at least a 50 per cent rise in pre-tax profits to £36m, despite problems with its UK liability and motor accounts. L and G, with its large household account benefiting from the better weather, should show a one-third rise in net profits to £19m, with its general account back to break-even and continued growth from its life business. Both groups should declare substantially increased interim dividends, though L and G's may contain some element to reduce disparity.

Turner and Newall produces its first figures under the chairmanship of Sir Francis Tombs next Thursday and shares have already trebled from a low of 20p on hopes of recovery. Pre-tax profits for the year to December are expected to be around £5m compared with a £10.9m loss in 1982, but analysts are less confident about how much progress will be made by the interim stage. The new management has decreased borrowings, sold off assets and reduced the workforce, which could bring the company out around break-even. Improvements in trading profits are more likely to come through in the second half.

Other interim results due next week include those of S. Pearson and Son on Monday, and AMEC on Wednesday. On Thursday both Associated British Ports and Booker McConnell will be reporting half-year figures.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Breville Europe	Monday	—	—	—
Celtic Haven	Tuesday	0.25	0.5	0.25
Chambers and Fargus	Monday	0.5	1.25	—
Christy Brothers	Friday	—	—	—
Consolidated Gold Fields	Tuesday	8.5	16.0	8.5
Cope Allman International	Monday	1.0	1.0	1.0
Douglas, Robert M.	Wednesday	0.75	2.75	0.375
Dowding and Mills	Thursday	0.78	1.09	0.86
London Shop Property Trust	Thursday	1.25	3.0	1.5
INTERIM DIVIDENDS				
Air Call	Wednesday	1.85	3.75	
Amec	Wednesday	—	6.5	
Associated British Ports Holdings	Thursday	—	—	
Associated Leisure	Tuesday	1.33333	2.0	
Baird, William	Thursday	5.8	8.75	
Banro Industries	Thursday	0.575	2.725	
Barrow Hepburn Group	Thursday	0.8	1.4	
Bemrose Corporation	Monday	4.0	6.0	
Bilton (Percy)	Monday	3.5	—	
Booker McConnell	Thursday	1.5	2.25	
Bowater Corporation	Tuesday	4.25	3.5	
Bramall, C. D.	Monday	2.05	3.95	
Breedon and Cloud Hill Lime Works	Friday	2.625	6.0	
British Aerospace	Tuesday	3.25	5.2	
British Mohair Spinners	Thursday	0.96	3.24	
British Vita	Tuesday	2.7	2.7	
Brixton Estates	Tuesday	1.7	2.3	
Brown and Jackson	Thursday	—	—	
BTR	Tuesday	4.75	6.25	
Burmah Oil	Wednesday	1.5p	7.5p	
Cakebread Robey and Company	Wednesday	0.6	2.1	
Canning, W.	Monday	0.25	1.5	
Carlton Industries	Wednesday	1.8	2.0	
City and Commercial Investment Trust	Monday	1.81	1.398	
Clay, Richard	Tuesday	1.0	2.0	
Cory, Horace	Friday	0.6	0.8	
Costain Group	Tuesday	5.0	7.0	
Danish Bacon Company	Wednesday	—	—	
Eagle Star Holdings	Wednesday	7.0	10.0	
Early's of Witney	Friday	0.315	1.0	
Expamet International	Wednesday	2.0	—	
Farmer, S. W. Group	Tuesday	3.1	6.65	
F and C Eurotrust	Wednesday	—	—	—
Fashion and General Investment	Monday	6.5	7.9	5.0
Fisher, James and Sons	Thursday	1.325	1.5	
Fleet Holdings	Tuesday	—	1.0	0.75
Fletcher Challenge	Wednesday	8.25†	8.75	7.5
Garner Booth	Tuesday	2.4	4.25	
General Mining Union Corporation	Thursday	55.0†	120.0	
Gripperrods	Friday	2.0	3.0	2.0
Hartons Group	Tuesday	—	0.175	
Hestair	Tuesday	1.25	2.0	
Hewitt, J. and Son (Fenton)	Wednesday	0.46	1.95	
Highcroft Investment Trust	Thursday	1.25	1.9	
Home Charm	Tuesday	0.425	1.575	
Hyman (I. and J.)	Tuesday	—	0.1	
Imry Property Holdings	Tuesday	1.2	2.4	1.4
Invergordon Distillers	Monday	1.5	2.5	
Jones and Shipman	Wednesday	0.4	0.5	
Keep Investment Trust	Thursday	0.15	—	
Legal and General Group	Wednesday	4.5	11.0	
Liverpool Daily Post and Echo	Thursday	3.7	6.5	
London Merchant Securities	Tuesday	0.43	0.87	0.5
London United Investments	Wednesday	5.0	6.0	
Low and Bonar	Monday	2.0	3.0	
Magnolia Group (Mouldings)	Thursday	0.6	1.7	
Morchwiel	Tuesday	2.7	4.8	
Matthews, Bernard	Tuesday	2.2	3.05	
Merchants Trust	Monday	0.885	1.4075	
Mersey Docks and Harbour Company	Monday	—	—	
Molynx Holdings	Friday	—	—	
Murray Glendevon Investment Trust	Monday	0.9	2.1	1.0
Oil and Gas Production	Thursday	2.0†	2.5	
Oliver, George (Footwear)	Thursday	1.32	4.68	
Oriflame International SA	Wednesday	20.0†	30.0	
Pearson, S. and Son	Monday	3.75	7.45	
Perry (Harold) Motors	Thursday	1.5	2.25	
Petrocon Group	Thursday	1.25	2.5	
Quick (H. and J.) Group	Monday	0.53	0.92	
Richards (Leicester)	Thursday	1.0	1.0	
Rivlin (I. D. and S.) Holdings	Thursday	—	—	
Rivlin (I. D. and S.) Holdings	Thursdy	—	—	
Rowton Hotels	Friday	3.15	3.85	
Royal Dutch Petroleum	Thursday	3.20‡	4.65	
Ryan International	Thursday	—	—	
Scholes, George H.	Wednesday	4.0	9.33333	5.0
Shell	Thursday	9.2	12.6	
Sirdar	Thursday	1.6	2.5	1.85
Spencer, George	Thursday	0.1	—	
Staffordshire Potteries (Holdings)	Wednesday	—	0.01	—
Stag Furniture Holdings	Wednesday	1.75	3.25	
Systems Designers International	Wednesday	1.5	—	
Tilling, Thomas	Tuesday	3.8	4.5	
Trafford Park Estates	Thursday	3.0	5.25	3.25
Turner and Newall	Thursday	0.25	—	
Twefontein United Collieries	Thursday	40.0†	38.0	41.0
United Biscuits (Holdings)	Thursday	2.25	3.55	
Walker, Thomas	Friday	0.1575	0.542	0.1875
Westpool Investment Trust	Thursday	0.344	0.812	—
Willis Faber	Tuesday			
Wolstenholme Rink	Monday	2.5	3.75	
W.W. Group	Thursday	1.94	4.88	
Yule Catto	Thursday	1.0	2.0	
Television Services International	Wednesday	—	—	

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † in cents. ‡ in Fl.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

British Petroleum's plans to raise about £260m by selling up to 12.5 per cent of its heavily-taxed interest in the North Sea Forties field ran into doubts about Government permission for the deal. The group's proposal came shortly before the Government's £500m fund-raising operation involving a further sale of BP shares; details of arrangements for the state sale of 18 per cent of BP shares are expected soon.

The managements of John Collier and Richards Shops have been given the opportunity by **Hanson Trust** to buy the clothing shop chains for £104m before the end of the month. The chains were acquired by Hanson when it paid £265m for UDS Group last April. Hanson's decision to choose the management buy-out route shocked **Burton Group** which had been negotiating to buy the chains from UDS since last Febraury.

Exco International, the money broking and financial group, is to make a near-£50m rights issue and will use part of the proceeds to give it control of Telerate, the U.S. computerised financial information service. About £17m of the rights issue proceeds will be used in acquiring 1.25m Telerate shares at $20 per share which will increase Exco's stake in Telerate to 51.5 per cent.

Mr Robert Maxwell's **British Printing and Communication Corporation** conceded defeat in its hotly contested £18m bid for **John Waddington**, the Leeds-based packaging and games group. Mr Maxwell stated that BPCC had no intention of selling its 14.98 per cent stake in Waddington and had sought boardroom representation, a proposal rejected by Mr Victor Watson, chairman of Waddington, because he felt customers would not tolerate a Waddington competitor sitting on the board.

Anderson Strathclyde, taken over by Charter Consolidated earlier this year, signed new contracts worth £13.4m to supply China with coal mining equipment and allow the Chinese to manufacture equipment under licence.

GKN's agreed all-equity offer for **AE**, the motor components manufacturer, lapsed following a Monopolies Commission reference. The decision to refer the bid was rushed through after gyrations in the AE share price earlier in the week. AE's shares had fallen to 55p at one stage on Wednesday anticipating the reference; GKN's offer valued the company at approximately 65p per share. GKN intends to maintain its interest throughout the Commission's inquiry and will produce evidence in support of its case.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Benn Bros¶	268	208	185	17.97	Extel
Branon	60*	60	58	1.54	Taddale
Drake and Scull	120§§	115½	85	21.97	Simon Engineerg
Globe & Phoenix	70*	70	60	0.62	African Lakes
Hawkins & Tmpsn	35*§	37½	38	2.13	Evered
Huntleigh	220	219	203	31.60	Flight Refuelling
Illngwth Mrrs Ord	14½*§	20	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	12	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300†‡	80	1.02	Wasskon
Ins Cpn of Ireland	276§	269	224	I£5.77	Irish
KCA Drilling	37*§	38	38	29.6	Rosshold
Pennine Res	30½*	33	26	3.96	Ivorbeam
Spring Grove	50*	49	48	16.58	Pritchard Services
Spring Grove	72	49	43	23.88	Sunlight Serv
Sunlight Serv	265	240	192	32.11	Brengreen Hldgs
UBM Group	106½§§	115	99	62.44	Norcros
Whittingh'm (W.)	130*	126	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on 9/9/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aerospace Eng	April	1,260	(1,097)	17.8	(15.4)	9.75	(8.25)
Bogod-pelepah	March	248	(9)	1.7	(0.1)	0.3	(0.05)
Cantors	April	812	(58)	11.4	(0.7)	1.5	(0.1)
Clarke, Matthew	April	3,520	(2,300)	24.3	(19.0)	10.0	(8.25)
Cope Allman	July	2,300	(1,950)	4.4	(0.9)	2.5	(2.0)
Datastream	June	2,340	(1,430)	9.6	(8.8)	1.8	(1.66)
Don Brothers	May	1,220	(1,420)	12.6	(10.4)	3.5	(3.0)
FMC	June	800	(1,660)L	4.22	(—)	—	(—)
Harvey & Thmpsn	July	162	(209)L	—	(—)	1.5	(—)
Oxford Inst	March	2,710	(1,964)	—	(—)	—	(—)
Ricardo Cons Eng	June	1,620	(1,739)	32.5	(39.3)	10.0	(9.35)
Sheldon Jones	May	1,030	(860)	8.8	(7.9)	4.35	(3.9)
Sinclair Research	March	13,820	(8,550)	—	(—)	1.0	(—)
Thorpac	June	17	(257)	0.6	(7.8)	2.0	(0.82)
Whitworth Elect	March	483	(690)	9.2	(15.5)	1.5	(1.5)
Zetters	March	1,310	(1,070)	9.0	(7.6)	3.1	(2.75)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Appleyard	June	230	(842)	—	(—)
Armitage, George	June	550	(35)	5.0	(2.5)
Automotive Prod.	June	1,030	(276)L	0.5	(0.5)
Beattie, James	July	1,190	(775)	—	(—)
Bestobell	June	4,080	(4,778)	5.7	(5.7)
BICC	June	33,700	(50,000)	3.5	(3.5)
BPCC	June	7,650	(5,030)	—	(—)
Brammer	June	2,960	(2,667)	2.0	(2.0)
Bridon	June	5,430	(3,320)	1.2	(1.2)
Britannia Arrow	June	5,120	(2,270)	1.0	(0.8)
Brown Boveri Knt	June	2,760	(1,360)	1.0	(—)
Bunzl	June	7,900	(6,070)	5.0	(4.5)
Business Cmptrs	June	42	(62)	—	(—)
Cement Roadstone	July††	4,530†	(10,180)	1.0	(2.3)
Church & Co	June	1,050	(581)	3.0	(2.5)
Collins, William	July¶	2,040	(1,250)	3.5	(3.0)
Cookson Group	June	10,100	(6,200)	3.7	(3.7)
Croda Intl	June	7,020	(6,620)	3.0	(3.0)
Dickie, James	April	16	(25)	1.5	(1.5)
Delta Group	June	13,410	(5,510)	1.82	(1.82)
Desoutter Bros.	June	1,050	(1,020)	2.7	(2.7)
DRG New Zealand	June	630	(1,400)	—	(—)
EIS	June	1,750	(1,500)	1.65	(1.5)
Ex-Lands	June	3	(9)	—	(—)
Exco Intl	June	12,510	(7,180)	3.5	(2.5)
Fitch & Co	June	425	(366)	1.54	(—)
Friedlnd. Doggart	June§	1,100	(851)	2.27	(2.09)
Hall, R. & H.	June†	1,210	(865)	1.0	(0.75)
Hamilton Oil GB	June	8,060	(11,610)	—	(—)
Hepwth. Ceramic	June	15,040	(12,100)	2.5	(2.25)
IMI	June	12,200	(7,300)	1.5	(1.5)
Jebsons Drilling	June	11,400	(10,400)	3.5	(7.0)
Kode Intl	June	802	(612)	2.8	(2.32)
Lambert Howarth	June‡	350	(215)	1.5	(1.25)
Macfarlane Grp	June	1,160	(1,050)	1.67	(1.52)
Mellerware	June	263	(61)	0.8	(—)
Moben Group	June	1,530	(—)	0.25	(—)
Ntnwide Leisure	April	79	(—)	—	(—)
Newbold & Burtn	June	216	(74)L	1.54	(1.4)
Nichols (Vimto)	June	2,150	(1,580)	6.5	(5.5)
Noble & Lund	June	273L	(30)	—	(0.18)
Nurdin & Peacock	July	3,230	(3,378)	1.47	(1.3)
Pentland Ind	June	610	(530)	0.42	(0.38)
Pentos	June	463L	(937)L	—	(—)
Phoenix Assur	June	14,300	(8,700)	7.6	(7.3)
Portals	June	7,010	(6,130)	6.25	(5.75)
Prudential Ass.	June	28,300	(20,000)	5.5	(5.0)
P & O	June	11,120	(8,840)	4.0	(4.0)
Prvdnt Fin Grp	June	5,750	(2,670)	3.0	(2.42)
Reckitt & Colman	June	40,730	(34,040)	4.55	(4.15)
Sedgewick Group	June	48,300	(40,100)	2.75	(2.5)
Sharpe & Fisher	June	575	(304)	0.61	(0.55)
Simon Engnrng	June	7,410	(7,600)	4.0	(4.0)
Stewart Plastics	April	1,300	(1,490)	1.38	(1.14)
Stewart Wrightsn	June	4,620	(4,180)	3.85	(3.85)
Sun Alliance	June	33,000	(10,100)	22.0	(19.5)
Sunleigh	June	177	(—)	—	(—)
Utd Newspapers	June	4,560	(3,360)	5.0	(4.5)
Wadkin	June	280	(650)L	—	(—)
Westwood Dawes	June	29	(45)	—	(—)
Woodward, H.	March	33	(30)	0.5	(0.5)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise indicated. † In I£. ‡ For 25 weeks. § For 24 weeks. ¶ For 27 weeks. †† For 28 weeks. ‡‡ In NZ$. L Loss.

Rights Issues

Economic Forestry Group to raise £580,000 by way of a 1 for 3 rights issue at 130p per share.
Exco International to raise £48.2m by way of a rights issue on basis of 2 for 9 at 440p.
United Newspapers to raise £30m by way of a rights issue on a basis of 2 for 3 at 210p ex dividend.

Scrip Issues

Aerospace Engineering—1 for 1 scrip issue.
Ricardo Consulting Engineering—3 for 1 scrip issue.

Offers for sale, placings and introductions

Central TV to join USM.
Eastbourne Water Works has placed £3.8m of 12½ per cent redeemable debenture stock 2004 at par.
Freshbake Foods to join USM.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	21	27	—	—	—	—	$415
GOLD C	$425	78	13	23	25	24	35	"
GOLD C	$450	11	5	54	14	16	24 A	"
GOLD C	$500	10	1	—	—	—	—	"
GOLD C	$550	15	0.50	—	—	—	—	"
GOLD P	$400	25	5	2	9	—	—	"
GOLD P	$425	4	15.50 A	2	17	2	20	"
GOLD P	$450	—	—	1	36	—	—	"
		Sept.		Dec.		March		
SILV C	$10	10	2.15	—	—	—	—	$12.27
SILV C	$11	13	1.15	—	—	5	2.30	"
SILV C	$12	10	0.20	—	—	1	1.60 B	"
SILV C	$14	—	—	3	0.39	—	—	"
SILV P	$12	5	0.10	—	—	—	—	"
		Oct.		Jan.		Apr.		
AKZO C	F.45	2	32.20	—	—	—	—	F.77.80
AKZO C	F.65	2	12.50	23	14.50	—	—	"
AKZO C	F.70	124	9	—	—	—	—	"
AKZO C	F.80	357	2.60	13	5.90	1	8.20	"
AKZO C	F.90	300	0.40	—	—	—	—	"
AKZO P	F.70	24	1	—	—	—	—	"
AKZO P	F.80	59	4.50	2	7	—	—	"
KLM C	F.150	8	7.10	4	14.50	—	—	F.150.50
KLM C	F.160	33	4	3	9.90	—	—	"
KLM C	F.170	33	2	5	6.50	—	—	"
KLM C	F.180	10	0.90	1	4.80	—	—	"
KLM P	F.140	13	1.90	5	4.80	—	—	"
KLM P	F.150	6	5.50	3	9	—	—	"
KLM P	F.160	11	12 B	—	—	—	—	"
KLM P	F.170	1	21 B	—	—	—	—	"
PHIL C	F.30	1	18.80	—	—	—	—	F.48.50
PHIL C	F.40	28	8.60	—	—	—	—	"
PHIL C	F.45	132	4.60	—	—	2	8.20	"
PHIL C	F.50	71	1.90	141	4.20	22	5.20	"
PHIL C	F.55	119	0.70	262	2.10	9	3.50	"
PHIL P	F.40	26	0.30	8	1	5	1.40	"
PHIL P	F.45	48	1.20	32	2.40	10	5	"
PHIL P	F.50	260	3	112	4.70	25	5.20	"
PHIL P	F.55	2	6.70	—	—	25	7.50	"
RD C	F.110	225	30	—	—	—	—	F.139.60
RD C	F.120	200	20	2	21	—	—	"
RD C	F.130	232	10.50	13	14.20	1	16.50	"
RD C	F.140	90	4.40	96	8.50	482	12	"
RD C	F.150	224	1.30	49	4.40	17	8.50	"
RD P	F.110	—	—	10	0.50	—	—	"
RD P	F.120	—	—	10	1.20	—	—	"
RD P	F.130	74	1.50	42	3.80	13	5	"
RD P	F.140	238	6	6	7.90	—	—	"
RD P	F.150	21	13.50	—	—	—	—	"
UNIL C	F.190	1	30	—	—		—	F.220.50
UNIL C	F.200	91	21.50	—	—		—	"
UNIL C	F.220	31	6.50	9	13	—	—	"
UNIL C	F.240	18	1	56	5	—	—	"
UNIL P	F.190	7	0.30	—	—	—	—	"
UNIL P	F.200	3	0.80	6	3.50	—	—	"
UNIL P	F.220	18	4.80	2	8	—	—	"
UNIL P	F.240	1	18	—	—	—	—	"
		Nov.		Feb.		May		
12¾ NL 81 87-91								
C	F.120	108	6.50	—	—	—	—	F.124.80
C	F.122.50	10	3.50	—	—	—	—	"
C	F.125	107	1.50	—	—	—	—	"
C	F.127.50	100	0.80	—	—	—	—	"
P	F.122.50	100	1	—	—	—	—	"
11¼ NL 82 88-92								
P	F.110	—	—	200	2.50	—	—	F.111.20
10 NL 82-11 86-89								
C	F.105	—	—	—	—	2	3	F.105.80
9½ NL 83 87-90								
C	F.100	35	3.60	—	—	—	—	F.103.30
C	F.102.50	220	1.40	2	2	1	2.60	"
C	F.105	—	—	104	0.90	—	—	"
P	F.100	2	0.60	3	1	—	—	"
7½ NL 83 87-90								
C	F.97.50	10	0.10	—	—	—	—	F.95
		Sept.		Dec.		March		
D/FL C	F.300	—	—	11	3.50	—	—	F.298.95
D/FL C	F.305	50	0.30	—	—	—	—	"
D/FL P	F.290	—	—	14	4.50	—	—	"
D/FL P	F.295	13	0.90	—	—	—	—	"
D/FL P	F.300	176	2.50	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 8,329
A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.09%. Effective annual rate—9.48%.

CONTRACTS

Fairclough wins £7m work

Work totalling over £7m has been awarded to **FAIRCLOUGH BUILDING**. The western division has won a contract worth £3.6m to build a magistrates court in Sale, Greater Manchester, for Trafford Borough Council. The contract is for a two-storey building containing 13 courts. Construction is of reinforced concrete frame on piled foundations and clad with brickwork. Internal walls will be fairfaced blockwork and the court rooms will be partly panelled with hardwood. The building will be fully air conditioned and heated and the surrounding area will be landscaped. Work has begun and is expected to be completed in February 1986. The Wales and south western division has won a £3.5m contract for remedial works at University College, Cardiff. Work involves removal and replacement of Portland and Kendall stone cladding on several of the buildings. Metal fixings will be examined to establish their defects and the stone cladding will be replaced using new fixings. Work also involves re-roofing and associated refurbishing. The contract is expected to be completed in December 1984.

Copper and gold project in Papua

DAVY McKEE has won an order from OK Tedi Mining to carry out a cost and definition study for the implementation of the second stage of the OK Tedi gold and copper project in Papua New Guinea. This is for the exploitation of the gold and copper deposits forming the core of Mount Fubilan, 15 miles from the Indonesian border in dense rain forest. The first stage, which is already in hand, will become operative in 1984 when OK Tedi will start mining and processing gold bearing ore at a rate of 22,500 tonnes per day. The second stage, provisionally valued at over US$500m, forms the subject of the study. It is due to come on stream in 1986, and will allow both gold and copper ores to be mined and treated at a rate of 22,500 tonnes per day of each ore. The study will be carried out in Davy McKee's offices in Stockton, UK, with the Davy McKee offices in San Francisco and Melbourne also contributing. The study will be completed in early 1984. BHP Engineering of Sydney, Australia, will participate in the study and will carry out part of the engineering. BHP Engineering is a subsidiary of the Broken Hill Proprietary Company and is an Australian based consulting organisation.

★

Y. J. LOVELL (SOUTHERN), a Lovell Construction company, has won a £3.8m contract for a linked office block which will double the size of PPP (Private Patients Plan) headquarters at Tunbridge Wells, Kent. The offices comprise four floors above a lower ground floor and basement providing a further 30,000 sq ft of space. The structure is a brick-clad reinforced concrete frame with bronze-tinted glazing. The offices will be air-conditioned with modular heating by gas-fired boilers. Work on the 81-week contract starts this month.

★

A £3.2m order has been placed with **CASCO CONSTRUCTION**, one of the David Williams group of companies, for the building of a detergent production plant in Sadat City, Egypt. The site will cover 8,000 sq metres. The David Williams group will provide technical aid for two years and train Arab-speaking operational staff in the UK, under the turn-key contract. Sadat City is an industrial and residential showplace under construction from an original concept promoted by the late president. It is some 90 kms from Cairo where the factory's head office will be located.

★

P & W OFFSHORE SERVICES, a member of the Press Offshore Group, has won a contract worth close on £1m for mechanical hook-up and commissioning work on the Beatrice B platform off Sutherland. Under a contract from Britoil P & W is providing skilled offshore personnel to carry out a major proportion of the structural, mechanical and rigging work involved in hooking-up the platform. Up to 75 supervisors, welders, pipe fitters, riggers and mechanical fitters will be engaged offshore on the programme. Completion is scheduled for March 1984.

★

United Parcel Service has bought 12 examples of a new Merlin IVC derivative named the Expediter. All will be operated in America for transporting parcels in their "Next Day Air" and "Second Day Air" operations. Deliveries will commence this month with all 12 aircraft in service before the end of the year. The aircraft are supplied by the **ALAN MANN GROUP**.

Success in U.S. for Pritchard

During the summer, while health authorities in Britain awaited the release of the Government's new guidelines on contracting out some NHS ancillary services, one of the UK's largest hospital services contractor was busy breaking records on the other side of the Atlantic. **PRITCHARD SERVICES GROUP**—through its specialist hospital services subsidiary, Crothall American Inc.—has been awarded eleven major hospital services contracts in the U.S. worth a total of $5m annually. All are due to commence before hte year-end. Since the beginning of 1983 the company has won 30 new hospital services contracts in the U.S.; worth $11m a year. These cover a total of 5,787 beds and have initial durations ranging from one to five years.

★

ORS HOSPITAL PROJECTS has won two Middle East contracts. The first is with the Libyan Government, through the Medical Equipment Company of Libya (the Government's purchasing body). It covers the supply of general medical furniture and hospital catering equipment as well as equipment for a new poultry laboratory in Benghazi. The second contract is in Egypt, where ORS Hospital Projects will supply equipment for the new 500-bed Nasr City Hospital, run by the General Organisation for Health Insurance in Cairo.

£4m defence order from Finland for Plessey

PLESSEY Watchman, an advanced medium-range surveillance and approach control radar system introduced at Farnborough less than a year ago and recently selected by MoD as replacement radar for RAF airfields, has now won its first export order, from the Finnish Air Force. Plessey Radar and Plessey Displays will supply three Watchman radar systems for installation at joint military/civil airfields. Each installation will include the radar antenna with on-mounted secondary radar antenna, signal processing equipment providing primary and secondary plot extraction, and three intelligent autonomous display consoles. The contract provides for technical training, documentation and spares. Total value is in excess of £4m and delivery will begin in 1985. There is an option on four further Watchman systems.

★

Contract negotiations have been completed with Bangladesh Railways for **GEC-GENERAL SIGNAL INTERNATIONAL** to design, supply, install and maintain conventional signalling equipment for six stations between Dhaka and Chittagong. The £1.4m contract will be funded from Commodity Aid by the Overseas Development Administration (O.D.A.). Crown Agents will be acting as technical advisers and agents for O.D.A. Refurbishment of material supplied in the 1960s and utilisation of other equipment supplied in 1981 will be incorporated into the resignalling scheme. Additional conventional signalling equipment will be supplied including miniature relays and tokenless block systems which incorporate Reed FDM equipment. The stations to be resignalled are: Dhaka, Dhaka Cantonment, Tejgaon, Laksam, Pahartali and Bhatiari. Under subcontracts for GEC-General Signal International, GEC-General Signal are to resignal five of the stations, with Dhaka (formerly known as Dacca Central) being implemented by Westinghouse Signals, who installed the original equipment. Installation work on all six stations of this contract will be carried out by GEC Bangladesh, who are also providing maintenance for a further period of two years.

★

BRITOIL has awarded three contracts, worth more than £2m, for the start of the company's new Glasgow headquarters in St Vincent Street. **LILLEY CONSTRUCTION** has been appointed to undertake the bulk excavations and fill, **PIGOTT FOUNDATIONS** the perimeter retaining wall, and **WHATLINGS (FOUNDATIONS)** the foundation piling. Over the next three months, further contracts worth about £9m will be awarded. Wimpey Construction UK has already been appointed as management contractor. Phase one alone of Britoil's new Glasgow headquarters will be the biggest private office development in Scotland, totalling almost 500,000 sq ft. During construction, the project will provide employment for more than 400 people. Planning permission exists for a second phase, the size of which will depend on the growth in Britoil's staff numbers over the coming years.

APPOINTMENTS

Chief executive at British Gas

Mr Robert Evans is to succeed Mr Jack Smith as chief executive of the BRITISH GAS CORPORATION and has also been appointed to the board by Mr Peter Walker, Secretary of State for Energy.

Mr Smith, who is retiring, has also been deputy chairman. As yet, no successor has been appointed and the speculation is that an outsider might be brought into fill the position.

In practice, BGC has been tightly under the control of Sir Denis Rooke, the chairman, who has kept a firm grip on major policy issues. The chief executive has concentrated on the day-to-day running of the industry.

Apart from Sir Denis, the other full-time board members of the corporation are Mr Charles Donovan, managing-director for personnel, Mr William Jewers, managing-director for finance, and Mr James McHugh, managing-director for production and supply. Mr McHugh has just been reappointed for five years from January 1, 1984.

Mr Evans, who is 56, has been managing-director responsible for supplies. Foremost among his responsibilities has been negotiating new contracts with gas producers and ensuring availability of future supplies.

He has worked in the UK gas industry since 1950, when he joined the North Western Gas Board, apart from a period between 1956 and 1962 during which he worked for Burmah Oil in India and Pakistan.

A former president of the Institute of Gas engineers. Mr Evans was born in Liverpool and trained as a mechanical engineer in the private sector.

RICHARD JOHNS

★

LYLE SHIPPING has appointed Mr David Clark as its group finance director from October 15.

★

Mr Michael G. T. Butterworth has been appointed managing director of MARC St James and Partners, London associates of consultants, MARC International, Brussels.

★

WINCHESTER BOWRING has appointed Mr R. P. Stevenson and Mr R. J. Rundle as departmental directors and Mr M Swayne and Mr R. A. Lay as assistant directors.

★

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has assigned Mr Douglas A. Warner III, a vice president, to its London office as assistant general manager and head of the banking division. From 1981 until the present, Mr Warner has headed the group at the bank in New York responsible for its activities in the states of Indiana, Michigan, Ohio, Missouri and Kansas. The following have been promoted to vice president at the London office: Mr Christopher Beatson-Hird, Mr Ramon de Oliveira-Cezar, Mr William A. Hoglund, Mr Lee Thistlethwaite, Mr Peter M. Thom and Mr Paul H. Zink.

★

Mr David Gill has been appointed sales and marketing director of IVECO (UK). He has been marketing director since he joined the company two years ago. New marketing director is Mr Chris Christianson, who joined the company from Leyland Vehicles.

★

Mr Gregory Heath has been appointed managing director of CASTELL SAFETY TECHNOLOGY, Halma Group subsidiary specialising in industrial safety interlocking systems. He moves from Marconi Space and Defence Systems where he was design authority manager.

★

HUCKLEBERRY'S fast food chain of Grand Metropolitan, has appointed Mr Peter Heath a marketing director from September 19. He was marketing manager of United Biscuits Foods.

Reid returns to Imperial Tobacco

Having completed his assignment to assist the group chairman in establishing the strategic planning process in IMPERIAL GROUP, Mr A. M. Reid has returned to Imperial Tobacco as full-time chairman and chief executive. Dr H. R. Bentley, deputy chairman of Imperial Tobacco, who delayed his retirement while Mr Reid had responsibilities for group planning in addition to those in the tobacco division, will retire after the annual meeting of Imperial Group in March 1984.

★

Mr J. Matthews has been appointed a director of NORCROS INDUSTRY (EEC) with responsibility as chief executive of the engineering division. He was managing director of the engineering division subsidiary Adamson Butterley Engineering recently renamed Butterley Engineering. Mr T. J. Murch previously marketing manager of Butterley Engineering, has been appointed managing director.

★

Mr Gerry Draper, a marketing consultant, is to join the board of COMMUNICATIONS STRATEGY. He was commercial director of British Airways.

★

Sir William Barlow, chairman of Thorn EMI engineering group becomes a deputy president of the INSTITUTION OF ELECTRICAL ENGINEERS on October 1.

★

SONY (UK) has appointed Mr Toshitatsu Iwai, as general manager to head the consumer products division from the end of the year. He is assistant general manager of the North American and European sales division in Tokyo.

New chief for ESAB

Following the acquisition by ESAB of the UK welding division of BOC, Mr J. A. Thorpe becomes chief executive of the ESAB operations in the UK. Mr J. G. Wilkinson, in addition to his existing responsibilities, is appointed managing director of Murex Welding Products. Mr J. C. Christie, general manager of the Murex gas equipment division, will report directly to Mr Thorpe. Mr A. K. Sullivan is made deputy managing director of ESAB Ltd.

★

Mr Peter McGuigan has been appointed managing director of ATHENA REPRODUCTIONS. He joined in April as financial director, and was formerly managing director of Harold Wesley. Mr Allan Begg has become financial director of Athena. He joins from Ellerman Sunflight Holidays where he was financial director.

★

Mr J. E. Brown has ceased to be chairman and managing director of FIVE OAKS INVESTMENTS. Mr A. C. Rodger has been appointed chairman.

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*434)						
300	138	—	—	1½	—	—
330	108	—	—	2	—	—
360	78	84	—	2	5	—
390	50	56	66	4	10	12
420	26	36	42	12	18	26
460	6	16	24	34	40	46
Cons. Goldfields (*612)						
500	112	120	—	2	4	—
550	62	80	95	6	15	20
600	33	52	62	25	35	45
650	11	28	40	60	67	77
Courtaulds (*97)						
66	34	—	—	—	—	—
76	24	28	—	0¼	2	—
86	15	20	—	1	4	—
90	—	—	21	—	—	6
96	7	11	—	5	9	—
100	—	—	13	—	—	10
110	2½	4½	9	16	18	20
Commercial Union (*168)						
120	50	—	—	0½	—	—
130	40	—	—	1½	—	—
140	30	34	37	2	4	6
160	14	19	25	5	8	13
180	4	9	15	19	22	25
G.E.C. (*202)						
180	28	—	—	3	—	—
200	11	22	28	9	11	14
220	4	12	18	23	26	28
240	2	5	10	42	42	44
260	1	3	—	62	62	—
Grand Met. (*319)						
300	24	35	43	6	9	13
330	9	19	27	15	22	26
360	3	8	15	43	47	50
390	1	4	7	72	74	76
I.C.I. (*530)						
390	146	—	—	1	—	—
420	116	130	—	1	3	—
460	76	90	—	2	6	—
500	44	56	68	7	16	22
550	13	28	42	36	36	44
600	2	13	22	70	76	82
Land Securities (*314)						
260	56	—	—	—	—	—
280	37	43	48	2	4	6
300	19	27	34	4	11	14
330	4	11	16	22	27	33
Marks & Spencer (*207)						
180	31	39	45	3	3	6
200	14	22	28	7	10	12
220	4	10	14	16	20	23
Shell Transport (*624)						
460	166	174	—	1½	2	—
500	126	134	—	1½	5	—
550	78	84	92	4	9	11
600	36	44	54	18	24	32
650	5	28	26	46	54	58

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*482)						
460	33	54	62	13	17	22
500	14	32	40	25	32	42
550	3	13	22	72	76	78
Imperial Group (*114)						
110	8	13	16	4	6	8
120	3½	8	10	11	13	15
130	1½	3½	—	19	20	—
LASMO (*321)						
280	—	65	—	—	8	—
300	40	53	65	12	16	22
330	20	32	48	32	35	42
360	12	22	32	59	65	70
390	4	13	20	85	88	90
Lonrho (*106)						
80	28	—	—	1	—	—
90	19	21	—	1½	3	—
100	10	13	15	4	7	7½
110	4½	7½	9	8	10	14
P. & O. (*214)						
160	56	—	—	2	—	—
180	38	44	—	2	4	—
200	22	29	36	4	8	11
220	10	17	24	12	16	19
Racal (*235)						
210	32	—	—	5	—	—
220	—	34	40	—	9	12
230	16	26	32	11	16	18
250	6	13	20	22	28	30
275	2	6	—	44	46	—
300	1	—	—	—	—	—
R.T.Z. (*652)						
550	110	128	—	5	11	—
583	83	100	—	7	16	—
600	70	88	103	12	23	30
650	33	52	65	32	42	52
700	15	25	40	62	67	74
Vaal Reefs (*$133)						
100	34½	—	—	1	—	—
110	25½	32	—	1¾	4½	—
120	17½	24	27½	3½	8½	10½
130	11	17½	20½	7½	13½	15
140	5½	11	14½	13½	19	20½

Option	Calls Sept.	Calls Dec.	Calls Mar.	Puts Sept.	Puts Dec.	Puts Mar.
Beecham (*335)						
330	12	25	35	6	15	20
355	2	15	22	22	32	38
385	1½	7	11	52	60	63
415	1	2½	—	82	88	—
Guest Keen (*176)						
135	43	45	—	1	2	—
155	23	27	—	1	4	—
160	—	—	30	—	—	9
175	5	13	—	6	12	—
180	—	—	17	—	—	17
200	1	6	11	26	29	32

Sept. 9 Total Contracts 1,444 Calls 1,065 Puts 379
* Underlying security price.

Dow off 3.56 at midsession

WALL STREET stock prices were lower on modest volume ahead of the afternoon's money supply figures.

The Dow Jones Industrial Average was off 3.56 points to 1,242.50. Analysts said the Dow has been encountering resistance each time it approaches its record 1,248.30 closing level.

The NYSE All Common Index was down 0.19 at $96.76.

In the broader market, declining issues were ahead of gainers about seven to six. Volume was about 37m shares.

Analysts said investors remain nervous about the money supply, even though last Friday's $1.4bn decline in M-1 helped the market rally strongly this week.

Economists are expecting this week's M-1 figures to be flat to slightly higher.

Since last Friday the DJ Index has climbed more than 40 points, mainly because of the M-1 news, and analysts say some investors may be taking profits.

Western Union, the biggest loser on the day, was off 3¼ to $33¼ after an analyst cut a recommendation on the stock.

Coleco Industries fell 2¾ to $40¾. Analysts said the stock could be reacting to news that **Mattel** posted a larger than expected second fiscal quarter loss. Mattel fell ⅜ to $8¼.

Texas Instruments, another home computer maker, rose 1⅞ to $119. It was the subject of a favourable published report.

Diamond Shamrock, again the most active stock, rose ½ to $26¼. It reported finding oil in Wyoming.

THE AMERICAN SE Market Value Index was down 0.56 at 1 pm to 235.36 on volume of 4.2m shares.

Canada

Toronto stocks continued on a mixed footing at mid-session with prices moving in a narrow range throughout the mornig.

The Composite Index was off 6.3 points at 2,572.0 but advancing issues edged the losers 229 to 218.

Seven of the 14 major indices were lower. Losses in the Resource sectors were offset by small gains in Merchandising, Consumer Products and Media.

On the active list, volume leader **Bell Canada** fell ⅛ to C$28⅝ on turnover of 203,700 shares. **Inco** was off ¼ at C$22½, and **Bank of Nova Scotia** was up ⅛ at C$42⅜.

Dome Petroleum was off ⅛ at C$5⅜ on active volume of 151,861 shares. **Massey-Ferguson** was off ⅛ at C$6⅜ on active volume of 82,837 shares. Massey is continuing to negotiate with its Canadian union for a new contract. The workers walked off the job on Thursday.

Montreal Stock Exchange Composite Index was off 0.54 of a point at 431.52 on volume of 420,000 shares.

The Vancouver Stock Exchange Index was up 0.2 of a point at 686.91 on volume of 4,403,447 shares.

Closing prices for North America were not available for this edition.

Germany

Disappointment over the Bundesbank decision on Thursday to increase its Lombard rate took share prices lower in dull trading.

The half point rise in Lombard to 5.5 per cent was seen as discouraging any fresh commitment of funds. Investors seem to be holding back to see whether the financial markets regard this as only the first of a round of rate increases.

But some dealers saw a chance that a surge on Wall Street yesterday could prompt reluctant buyers back into the market. The Commerzbank Index fell 6.5 to 924.8.

One feature of the market was continued buying interest in **AEG**, which musterde a 0.3 rise to DM 78.3 in fairly heavy trading.

Elsewhere in electricals, **Siemens** shed 1.30 to DM 335.7, **BBC** fell 0.5 to DM 206.5 after giving back early gains. **PKI** rose one to DM 309. Banks were weighted down by the move to higher interest rates. Commerzbank fell one to DM 168.5, Dresdner 1.4 to DM 169.5 and Deutsche 2.70 to DM 306.8.

Ahead of next week's auto show, **Daimler** slipped one to DM 570 and **VW** fell 2.90 to DM 216.40.

Engineerings saw large losses. **Linde** shed 5.80 to DM 371, **KHD** dropped 3.50 to DM 241, **Mannesmann** was 2.50 lower at DM 130.50 and **Man** eased one to DM 129.

In the chemicals sector, **BASF** dropped 2.80 to DM 149.30. **Bayer** was 2.50 lower at DM 149.50 and **Hoechst** eased 1.40 to DM 154.30.

Tokyo

Share prices closed lower as late profit taking more than offset initial gains, with blue chips and populars leading the downturn.

The market average lost a provisional 28.46 to close at 9,304.01.

Investors generally held off in the afternoon ahead of the weekend. The market will be closed today as it is the second Saturday of the month.

The Tokyo Stock Exchange Index closed at 684.60, down 1.72. Turnover was 350m shares. The second market closed lower on volume of 1.35m shares.

International populars were the heaviest losers after leading the recent advance. **Sony** fell 50 to Y3,620, **Pioneer** 50 to Y3,030, **Toyota Motor** 10 to Y1,210, **Canon** 40 to Y1,410 and **NEC** 10 to Y1,440.

Many vehicle and precision instrument shares came under selling pressure, as did large capital steels, shipbuilders and heavy machinery companies.

Selected oil, however, were bought in anticipation of a rise in the yen's value against the dollar. **Nippon Oil** rose 27 to Y935, **Showa Oil** 26 to Y415 and **Toa Nenryo** 30 to Y1,140.

Nippon Light Metal rose four to Y344 after announcing its plans to sell assets, including its head office building, to wipe out its accumulated deficit.

Australia

Australian sharemarkets overcame a weak start and strengthened for most of the day amid *evidence of strong buying* demand from Hong Kong.

The All Ordinaries Index closed up 3.4 points at 730.3, a new high for the year. It now stands 16 points short of the record high of 746.2 set on November 17 1980.

Paris

Prices were mixed to higher in moderately active trading with values supported by Wall Street's firmer close on Thursday.

This week's decision to raise the recently-floated French State loan to FFr 25bn from FFr 15bn and the forthcoming September 15 deadline for investors and companies to pay taxes, depressed values.

Yesterday's rise in the French call money rate to 12¼ per cent from 12 per cent yesterday had no apparent effect on sentiment.

Constructions, Portfolios, Electricals, Oils and Chemicals rose while Foods and Engineerings fell. Metals and Banks were steady and Cars mixed.

In higher Constructions, **Bouygues** rose 16 to FFr 725 and **Dumez** 27 to FFr 890. In lower Foods, **Bongrain** fell 20 to FFr 1,540 and in higher Electricals, **Radiotechnique** increased 9 to FFr 441.

Most Foreigns rose or were steady except Germans and Dutch, which were slightly easier.

Johannesburg

The stock market closed mixed in moderate trading, reflecting a lack of influential news to give the market direction.

Gold shares displayed a firmer bias with heavyweights mostly higher, as in Southvaal up 50 at 8,000 cents, while lightweights were mostly easier, but above their day's lows.

Singapore

Trading was lower in selective moderate trading, despite higher Wall Street advices.

The Straits Times Industrial Index closed 4.79 points lower at 967.25.

Hong Kong

All Hong Kong stock, money and commodity exchange markets and banks were closed because of Typhoon Ellen.

NEW YORK

Indices

NEW YORK ACTIVE STOCKS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

GERMANY

SWEDEN

HONG KONG

SINGAPORE

SOUTH AFRICA

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

ITALY

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases

The dollar finished below Thursday's level in the foreign exchange market yesterday but managed to recover from the day's lows recorded during the morning. Early selling was prompted by rumours of an agreement to the U.S./Soviet arms talks in Switzerland but this was quickly ignored as an increase in Middle East tension and renewed buying in New York later in the day helped the dollar recover. There had been some selling in Europe on hopes of a smaller than expected rise in the U.S. M1 money supply due to be announced after the close of business in London but the mood was not continued in New York.

The dollar closed at DM 2.6740 against the D-mark up from a low of DM 2.6640 but down from Thursday's close of DM 2.6775. Similarly against the Swiss franc it eased to SwFr 2.1705 from SwFr 2.1730 and FFr 8.04 from FFr 8.0575. It was slightly firmer against the Japanese yen at Y244.60 compared with Y244.55. On Bank of England figures the dollar's trade weighted index fell to 128.6 from 129.0.

Sterling showed very little movement during the day. Its trade weighted index finished at 84.7, a level held at all three of the day's calculations and slightly down from Thursday's close of 84.8. Against the dollar it finished at $1.4925-1.4935, up 10 points but eased against the D-mark to DM 3.9950 from DM 3.9975 and SwFr 3.2425 from SwFr 3.2450. It was also lower against the French franc at FFr 11.9975 from FFr 12.02 and Y365½ from Y365.0.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.7482	+1.89	+1.25	±1.5447
Danish Krone ...	8.14104	8.16567	+0.30	−0.34	±1.6425
German D-Mark	2.24184	2.27420	+1.44	+0.80	±1.0642
French Franc ...	6.87456	6.84859	−0.38	−1.02	±1.4052
Dutch Guilder ...	2.52595	2.54511	+0.76	+0.12	±1.4964
Irish Punt	0.72569	0.725038	−0.09	−0.73	±1.6699
Italian Lira	1403.49	1357.96	−3.24	−3.24	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Sept 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4905-1.4975	1.4925-1.4935	par-0.05c dis	−0.20	0.12-0.17dis	−0.39
Canada	1.8350-1.8410	1.8380-1.8390	0.12-0.02c pm	0.46	0.17-0.07 pm	0.26
Nethlnd.	4.45-4.47½	4.46-4.47	1½-1¼c pm	3.53	3⅞-3⅝ pm	3.25
Belgium	80.05-80.35	80.10-80.20	10c pm-par	0.75	10 pm-par	0.25
Denmark	14.30-14.35	14.30½-14.31½	4¾-5¾ore dis	−3.98	7½-8¾ dis	−2.27
Ireland	1.2700-1.2745	1.2735-1.2745	0.17-0.22p dis	−1.84	0.56-0.63dis	−1.87
W. Ger.	3.97¼-4.00½	3.99-4.00	1½-1¼pf pm	3.94	4-3¾ pm	3.88
Portugal	184.50-186.00	184.75-185.25	175-440c dis	−19.94	510-1205dis	−18.54
Spain	225.75-226.75	226.10-226.30	235-325c dis	−14.85	950-1110ds	−18.21
Italy	2377-2385	2379-2381	14-16lire dis	−7.56	46½-49½dis	−8.07
Norway	11.08-11.13	11.11½-11.12½	3-3⅝ore dis	−3.57	9¾-10⅞ dis	−3.66
France	11.98-12.03	11.99¾-12.00¼	2¼-3¼c dis	−3.12	15-16¾ dis	−5.21
Sweden	11.76½-11.79½	11.76¾-11.77¾	1½-2ore dis	−1.78	4⅝-5⅝ dis	−1.74
Japan	364-366½	365-366	0.87-0.75y pm	2.66	2.65-2.47 pm	2.80
Austria	27.95-28.10	28.00-28.05	9½-8gro pm	3.75	26¾-22¾ pm	3.49
Switz.	3.22½-3.25½	3.23¾-3.24¾	1⅝-1¼c pm	5.55	4½-4 pm	5.24

Belgian rate is for convertible francs. Financial franc 81.00-81.10 Six-month forward dollar 0.32-0.37c dis. 12-month 0.65-0.75c dis.

THE DOLLAR SPOT AND FORWARD

Sept 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4905-1.4975	1.4925-1.4935	par-0.05c dis	−0.20	0.12-0.17dis	−0.39
Ireland†	1.1720-1.1790	1.1730-1.1740	0.30-0.24c pm	2.76	0.83-0.75 pm	2.69
Canada	1.2305-1.2317	1.2310-1.2315	0.09-0.06c pm	0.73	0.23-0.20 pm	0.70
Nethlnd.	2.9850-2.9920	2.9880-2.9900	0.95-0.85c pm	3.61	2.80-2.70 pm	3.68
Belgium	53.65-53.78	53.68-53.70	8-5c pm	1.23	11½-10 pm	0.80
Denmark	9.5715-9.5915	9.5850-9.5900	2.60-3.10ore dis	−3.57	0.60-1.10dis	−0.35
W. Ger.	2.6640-2.6835	2.6735-2.6745	0.95-0.91pf pm	4.20	2.90-2.85 pm	4.31
Portugal	123.50-124.40	123.90-124.20	115-290c dis	−19.59	330-790dis	−18.06
Spain	151.30-151.70	151.45-151.55	170-200c dis	−14.65	620-720dis	−17.69
Italy	1593-1596½	1593¾-1594¾	10-10½lire dis	−7.71	30½-32 dis	−7.84
Norway	7.4400-7.4535	7.4475-7.4525	1.90-2.20ore dis	−3.30	5.90-6.20dis	−3.25
France	8.0250-8.0650	8.0375-8.0425	1.85-2.00c dis	−2.87	9.40-9.70dis	−4.75
Sweden	7.8775-7.8940	7.8775-7.8825	0.90-1.10ore dis	−1.52	2.45-2.65dis	−1.29
Japan	244.20-245.10	244.55-244.65	0.61-0.58y pm	2.87	2.00-1.92 pm	3.21
Austria	18.74-18.81	18.78-18.79	6.70-5.90gro pm	4.03	19.50-17.00pm	3.89
Switz.	2.1640-2.1750	2.1700-2.1710	1.05-1.00c pm	5.68	3.10-3.05 pm	5.68

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EXCHANGE CROSS RATES

Sept. 9	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.493	3.995	365.5	11.998	3.243	4.465	2380.	1.839	80.15
U.S. Dollar	0.670	1.	2.676	244.8	8.036	2.172	2.991	1594.	1.231	53.68
Deutschmark	0.250	0.374	1.	91.49	3.003	0.812	1.118	595.7	0.460	20.06
Japanese Yen 1,000	2.736	4.085	10.93	1000.	32.82	8.871	12.22	6512.	5.030	219.3
French Franc 10	0.834	1.244	3.330	304.6	10.	2.703	3.722	1984.	1.532	66.81
Swiss Franc	0.308	0.460	1.232	112.7	3.700	1.	1.377	734.0	0.567	24.72
Dutch Guilder	0.224	0.334	0.895	81.86	2.687	0.726	1.	533.0	0.412	17.95
Italian Lira 1,000	0.420	0.627	1.679	153.6	5.041	1.362	1.876	1000.	0.772	33.68
Canadian Dollar	0.544	0.812	2.173	198.8	6.526	1.764	2.429	1295.	1.	43.60
Belgian Franc 100	1.248	1.863	4.984	456.0	14.97	4.046	5.571	2969.	2.294	100.

MONEY MARKETS

Increased shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Day-to-day credit was in short supply in the London money market yesterday. The Bank of England gave an early forecast of a shortage of around £700m although this was later revised to £750m. Factors affecting the market included maturing assistance and a take up of Treasury bills −£100m, Exchequer transactions—£290m and a rise in the note circulation of £230m. The Bank gave assistance in the morning of £385m, comprising purchases of £77m of eligible bank bills in band 1 (up to 14 days) at 9⅝ per cent and £212m in band 2 (15-33 days) at 9½ per cent. In band 3 (34-63 days) it bought £45m of eligible bank bills and in band 4 (64-91 days) £4m of Treasury bills and £47m of eligible bank bills.

Further help was given in the afternoon of £262m and comprised purchases of £15m of Treasury bills and £66m of eligible bank bills in band 1 and in band 2 £6m of local authority bills and £124m of eligible bank bills. In band 3 it bought £18m of eligible bank bills and in band 4 £33m of eligible bank bills. There was also a round of late assistance totalling £90m.

In the interbank market weekend loans ranged between 10½ per cent and 7 per cent.

LONDON MONEY RATES

Sept. 9 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	7-10½	9⅞	—	—	9½-10⅛	8-9¾	—	—	—
2 days notice	—		9⅝-9¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9⅞-10	—	—	—	—
7 days notice	—	9⅝-10	9⅝-9¾	—	—	—	9½	—	—	—
One month	9¾-9[illegible]	9[illegible]-9¾	9⅝	10-9¾	9⅞	9¾	9½	9[illegible]	9[illegible]	10[illegible]
Two months	9[illegible]	9[illegible]	9⅝	10⅛-9¾	9¾	9⅞	9⅝	9[illegible]	9[illegible]	10[illegible]
Three months	9[illegible]-9⅝	9[illegible]	9⅝	10¼-9⅞	9¾	9[illegible]	9⅝	9⅝	9[illegible]	10
Six months	9[illegible]	9[illegible]-10[illegible]	9⅞-10	10-9¾	10	—	—	—	9⅝	10
Nine months	9[illegible]-9⅞	10[illegible]-10[illegible]	9⅞-10	10½-10¼	10¼	—	—	—	—	—
One year	10-9[illegible]	10[illegible]-10½	10¼	10½-10¼	10⅜	—	—	—	—	—
Two years	—	—	11-11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period August 3 to September 6, 1983 (inclusive) 9.930 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼-11½ per cent: four years 11½ per cent: five years 11¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 9⅝ per cent: four months trade bills 10 per cent.

Approximate selling rate for one month Treasury bills 9½ per cent: two months 9[illegible] per cent and three months 9[illegible] per cent. Approximate selling rate for one month bank bills 9½ per cent: two months 9[illegible] per cent and three months 9[illegible] per cent: trade bills 9[illegible] per cent: two months 9[illegible] per cent and three months 9¾ per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.2934 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9⅝ per cent: one-three months 10 per cent: three-six months 10¼ per cent: six-12 months 10¼ per cent. Under £100,000 9½ per cent from September 1. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

OTHER CURRENCIES

Sept. 9	£	$		£ Note Rates
Argentina Peso...	17.45-17.51	11.695-11.716	Austria	28.00-28.30
Australia Dollar..	1.6970-1.6990	1.1360-1.1365	Belgium	80.60-81.40
Brazil Cruzeiro...	1,019-1,024	682.0-685.0	Denmark	14.29-14.43
Finland Markka..	8.556-8.698	5.7295-5.7325	France	11.95-12.10
Greek Drachma...	137.75-138.35	92.00-92.40	Germany	3.98-4.02
Hong Kong Dollar	11.42¾-11.47¾	7.65-7.67	Italy	2360-2405
Iran Rial	131.10*	88.05*	Japan	365-369
KuwaitDinar(KD)	0.436-0.437	0.2918-0.2920	Netherlands	4.44-4.49
Luxembourg Fr...	80.10-80.20	53.68-53.70	Norway	11.08-11.18
Malaysia Dollar..	3.5025-3.5125	2.3445-2.3465	Portugal	182-205
New Zealand Dlr.	2.2955-2.3005	1.5370-1.5390	Spain	219-233
Saudi Arab. Riyal	5.1990-5.2040	3.4800-3.4810	Sweden	11.74-11.85
Singapore Dollar	3.1850-3.1950	2.1330-2.1350	Switzerland	3.23-3.26
Sth.African Rand	1.6720-1.6735	1.1200-1.1210	United States	1.48½-1.50½
U.A.E. Dirham...	5.4840-5.4900	3.6710-3.6725	Yugoslavia	179-188

* Selling rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 9	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9⅝-9¾	9[illegible]-9¾	9⅝-9¾	9[illegible]-9[illegible]	9[illegible]-10[illegible]	10[illegible]-10[illegible]
U.S. Dollar	9⅜-9⅝	9½-9¾	9[illegible]-9⅞	9[illegible]-10[illegible]	10⅛-10⅜	10[illegible]-10[illegible]
Can. Dollar	8¾-9¼	9-9½	9[illegible]-9[illegible]	9¼-9½	9[illegible]-9[illegible]	10[illegible]-10[illegible]
D. Guilder	5⅞-6⅛	5⅞-6⅛	6-6⅛	6¼-6⅜	6[illegible]-6[illegible]	6[illegible]-6[illegible]
S. Franc	2½-2¾	2½-2¾	4-4⅛	4[illegible]-4[illegible]	4[illegible]-4[illegible]	4[illegible]-4[illegible]
Deutschm'rk	5⅜-5½	5[illegible]-5[illegible]	5½-5⅝	5[illegible]-5[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]
Fr'nch Franc	12¼-12½	12¼-12½	12⅝-12[illegible]	14¾-15	16½-16¾	16¾-17
Italian Lira	15¾-16¾	16-17½	17-17½	17¾-18¼	18⅛-19	19½-20
Belg. Franc Conv.	8¼-8¾	8¼-8¾	8¾-9¼	9[illegible]-9[illegible]	9¾-10¼	10¼-10[illegible]
Belg. Franc Fin.	8¼-8¾	8[illegible]-8¾	8[illegible]-8[illegible]	9[illegible]-9[illegible]	9[illegible]-9[illegible]	10-10[illegible]
Yen	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]
D. Krone	14¼-14¾	14[illegible]-14[illegible]	13¼-13¾	11[illegible]-12[illegible]	11[illegible]-12	11[illegible]-12
Asia $ (Sing.)	9½-9⅝	9[illegible]-9[illegible]	9¾-9⅞	10-10⅛	10[illegible]-10[illegible]	10[illegible]-10[illegible]

FT LONDON INTERBANK FIXING

11.00 a.m. SEPTEMBER 9)

3 month U.S. dollars		6 month U.S. dollars	
bid 10	offer 10 1/8	bid 10 5/16	offer 10 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

[illegible]

† Unquoted. (g) Madagascar. (y) Oct. (u) Nov. (w) Sept-Oct. (v) Oct-Nov. § Ghana cocoa.

REVIEW OF THE WEEK

Cocoa market rally proves short-lived

BY OUR COMMODITIES STAFF

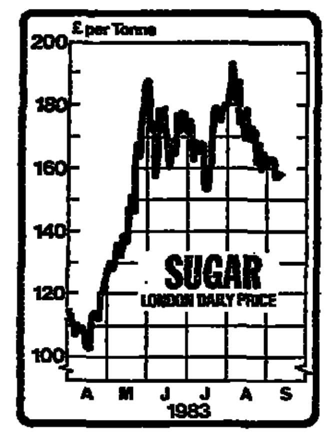
A LATE fall yesterday left cocoa futures prices down on the week wiping out an earlier modest rise. The December futures position on the London market fell £48.50 on the day as renewed short selling, inspired by an overnight fall in New York, reasserted the bearish trend which has been apparent for most of the past two months. The decline on the week amounted to £29.50 a tonne at £1,411 a tonne.

Following last week's £71 fall cocoa prices rallied, encouraged by the Ivory Coast's denial of rumours that it had a bumper crop in 1982-83. Mr Norbert Kouakou said in Abidjan that the crop would amount to less than last year's 350,000 tonnes but some traders still claim production will be well over 400,000 tonnes.

World sugar prices ended lower with the London daily price at £158 a tonne, down £5.50. In the absence of fresh fundamental news dealers attributed the decline to the continuing reassessment of European crop prospects which had earlier been downgraded because of the wet spring and subsequent drought conditions. Recent beet test results have suggested that yield reductions might be less severe than had been feared.

London potato futures eased this week following the rain, which triggered speculative profit-taking. The April position fell to just over £216 a tonne, £17 lower on the week and well down on the peak of £270 reached last month.

In contrast soyabean meal values gained further ground. The December position on the London futures market moved up to £203.90 a tonne compared with £194.15 a week ago on continuing concern about U.S. crop prospects. Chicago grain markets were sharply higher yesterday following the latest estimates by private forcaster, Conrad Leslie, showing a further deterioration in the American crops.



Tin prices came under heavy selling pressure on the London Metal Exchange yesterday, with the three months quotation closing £102 down at £8,575.5 a tonne making a loss of £152 on the week. The buffer stock of the International Tin Council was reported to be an active buyer in the market, but lowered its support level in response to selling from both trade and speculative sources.

Values on other metal markets see-sawed this week ending up showing little change. Cash aluminium reached a record level on Monday, then fell back sharply before rallying strongly again.

There was a similar pattern in zinc, where values are at the highest levels for nine years. A strong recovery yesterday pushed the cash price up by £10.75 back to a new peak of £577.75 a tonne as speculative buying interest came back into the market.

Copper also made up some lost ground yesterday, encouraged by hopes that the latest U.S. money supply figure would show only a small rise and ease upward pressure on interest rates. Earlier in the week the market was depressed by LME warehouse stocks of copper increasing again back up to the four-year high level reached in mid June of over 345,000 tonnes.

The drop of 100,000 tonnes in stocks by mid July as a result of Chinese buying has now been recouped confirming that demand remains poor for copper in spite of the strong markets for aluminium and zinc.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	—
Iranian Light	28.20	—
Arabian Heavy	26.60-26.65	—
North Sea (Forties)	30.00-30.10	−0.50
North Sea (Brent)	30.30	−0.50
African(Bonny LFbt)	30.70-30.80	−0.10
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	295-297	—
Gas oil	248-251	−2.0
Heavy fuel oil	169-171	—

GAS OIL FUTURES

The market staged a short-lived rally in the morning which was soon dampened by trade selling. Continued pressure from New York caused prices to close at the lows, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	248.50	−1.25	250.50-48.50
Oct	253.00	−0.75	255.00-53.00
Nov	256.00	−0.75	258.25-56.00
Dec	259.00	−0.50	261.25-59.00
Jan	257.25	......	258.50-57.25
Feb	254.50	......	255.00
Mar	252.75	+2.25	252.50-52.25
April	248.25	−1.25	—
May	247.50	−2.00	—

Turnover: 1,679 (3,198) lots of 100 tonnes.

GOLD MARKETS

Gold rose just $¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $414¼-415. The metal opened at the same level and traded within a very narrow range, touching a high of $415¼-$416 and a low of $414¼-414¾. Trading was extremely quiet ahead of the weekend and the announcement of U.S. money supply figures.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Sept	414.50-14.9	+0.050	—
Oct	417.10-17.6	+0.050	417.60-17.4
Nov.	420.00-22.0	......	—
Dec.	423.80-24.0	−0.150	424.70-23.7
Jan	427.30-28.0	+0.150	—
Feb	431.50-31.9	......	432.00
Mar	435.00-35.8	+0.200	—

Turnover: 541 (379) lots of 100 troy ounces.

	Sept. 9	Sept. 8
Gold Bullion (fine ounce)		
Close	$414¼-415 (£277¼-278)	$414-414¼ (£277¼-278)
Opening	[illegible]	[illegible]
Morning fixing	$414.50	$414.50
Afternoon fixing	$414.50	$414
Gold Coins Sept. 9	[illegible]	[illegible]

BASE METALS

COPPER

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
Sept.	1708-12	+5.5	1716-10
Nov	1694-95	+6.0	1703-94
January	1682-84	+6.5	1691-81
March	1649-51	+4.5	1658-49
May	1631-33	+7.5	1638-32
July	*1610-18*	+12.5	*1615-05*
Sept.	1595-00	+12.5	1603-00

Sales: 2,707 (3,290) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for September 8: Comp. daily 1979 125.46 (125.63); 15-day average 126.30 (same).

GRAINS

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 112.90, E. Mids 113.30, N. East 113.60, Scotland 109.70. The UK monetary coefficient for the week beginning Monday September 12 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Oct 136, Nov 137, Dec 139.25 transhipment East Coast sellers. English feed fob Oct/Dec 128 East Coast sellers. Maize: French Sept 144 transhipment East Coast sellers. Barley: English feed fob Oct/Dec 124, Jan/Mar 129 East Coast sellers. Rest unquoted.

[illegible]

SOYABEAN MEAL

[illegible]

POTATOES

[illegible]

SUGAR

[illegible]

RUBBER

[illegible]

INDICES

FINANCIAL TIMES

Sept. 8	Sept. 7	M'th ago	Y'ar ago
291.81	291.70	291.19	228.62

(Base: July 1 1952=100)

REUTERS

Sept. 9	Sept. 8	M'th ago	Y'ar ago
1913.3	1907.4	1945.0	1621.3

(Base: September 18 1931=100)

MOODY'S

Sept. 9	Sept. 8	M'th ago	Y'ar ago
1080.3	1076.9	1084.8	1015.6

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Sept. 9	Sept 8	Month ago	Year ago
Spot	145.61	144.94	145.03	130.00
Fut's	152.03	151.85	149.83	134.03

(December 31 1931=100)

AMERICAN MARKETS

NEW YORK, September 9

Gold and silver traded in a featureless fashion confined to a tight trading range with evening-up of positions ahead of the weekend dominating activity. Copper retreated on light local profit-taking ahead of the money figures. Cocoa fell sharply on commission house liquidation with manufacturer pricing providing scattered support. Sugar found light support from trade buying ahead of next week's talks on a new International Sugar Agreement. Coffee closed firm on selling associated with tight supplies. Cotton traded lower on light commission house profit-taking ahead of the USDA crop report on Monday and on slack cash business. Heating oil was featureless with light commission house buying on a report that Opec will maintain current production quotas. The grain and soyabean complex finished firm on a bullish production forecast by a private forecastor yet most participants were using caution ahead of the USDA estimates, reports Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Sept	1904	1955	1904	1975
Dec	1925	1988	1914	2001
March	1950	2019	1948	2033
May	1980	2045	1980	2060
July	1999	2060	1999	2076
Sept	2030	2070	2030	2086
Dec	2050	2095	2050	2111

COTTON 50,000 lbs, cents/lb

	Latest	High	Low	Prev
Oct	80.30	80.75	80.17	80.35
Dec	81.32	81.87	81.17	81.67
March	82.42	82.95	82.40	82.85
May	83.30	83.40	83.30	83.45
July	83.50	83.66	83.00	83.45
Oct	78.00	78.10	78.00	77.90

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	131.99	133.00	131.95	131.95
Dec	130.18	130.48	129.40	129.34
March	127.83	128.20	127.75	127.55
May	125.85	126.25	125.75	125.65
July	124.55	124.75	124.50	124.14
Sept	123.33	124.00	122.40	122.75
Dec	121.55	121.50	121.50	121.52

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	72.85	73.20	72.85	73.10
Oct	73.35	—	—	73.60
Nov	74.05	—	—	74.30
Dec	74.70	75.15	74.60	74.95
Jan	75.45	75.60	75.20	75.70
March	76.95	77.30	76.85	77.20
May	78.35	78.70	78.45	78.60
July	79.75	80.15	79.95	80.00
Sept	81.10	81.45	81.25	81.35
Dec	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	10.15	10.18	10.07	10.08
Jan	10.79	10.75	10.75	10.80
March	11.48	11.50	11.37	11.41
May	11.93	11.83	11.67	11.71
July	12.06	12.06	11.96	11.96
Sept	12.27	12.25	12.25	12.23
Oct	12.48	12.48	12.38	12.39
Jan	12.66	—	—	12.58

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lbs, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56 lb bushel

[illegible]

PORK BELLIES 38,000 lbs, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60 lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lbs, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

[illegible]

SPOT PRICES—Chicago loose lard [illegible]

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—[illegible]

SYDNEY GREASY WOOL—[illegible]

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system: they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(Coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

Great Universal Stores 5¼pcLn £42 (7/9). 6¼pcLn £51¼ (2/9). 7½pcLn 1983-88 £83¼ (7/9). 8¼pcLn 1993-98 £72 (7/9)
Greenfields Leisure 10pcPf (£1) 79
Guest, Keen Nettlefolds 6¼pcLn 1985 £92 ¼
Guest, Keen Nettlefolds (UK) 7¼pcDb 1986-91 £77½ (5/9). 9¼pcDb 1991-96 £85¼ (6/9). 10¼pcDb 1990-95 £81. 10¼pcDb 1992-97 £92¼
Gunn (A.) Hldgs 10½pcLn 1982-85 £97½ (5/9)

Schneiders (S.) and Son 6pcPf (£1) 36 (5/9)
Scotcros 6pcLn 1968-88 £88 90
Scott's Restaurant (12½p) 255 60 (7/9)
Sears Engrng Hldgs 8¼pcDb 1987-92 £82
Sears Hldgs 7pcAPf (£1) 62½. 12¼pcPf (£1) 108½ ¼ (5/9). 7¼pcLn 1992-97 £74¼
Securicor Gp 6½pcPf (£1) £19.4 (7/9)
Selincourt 7pcPf (50p) 22½ (7/9). 9¼pcLn 1983-88 £79⊕
Senior Engrng 9.6pcLn 1991-96 £76 (5/9)

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

UTILITIES

WATERWORKS

UNLISTED SECURITIES

Polytechnic Marine (5p) 248
Promotions House (5p) 30. New Ord (5p) (Fp/LA 9/83) 29 (7/9)
Radio City A N-V 128 (6/9)
Rayford Supreme Hldgs 238 (7/9)
Real Time Control (5p) 187 90
Rivlin (I. D. & S.) Hldgs (50) 73 4
SCUSA Inc New Shs (10.01) (Fp/LA-16/9/83) 104 5
Sinclair (W.) Hldgs (Rfd-1/7/83) 70 (6/9)
Southern Business Leasing (10p) 87 9 (6/9)
Stainless Metalcraft 115
Sunleigh Electronics (10p) 17
Technology for Business (10p) 78 81 (6/9)
Thermal Scientific (Fp/AL-13/9/83) 87 9
Thorpac Gp (5p) 47 8 50
United Friendly Insur. B (10p) 197 201 (6/9)
Willaire Systems 3 ¼
Yelverton Investments (5p) 86 7 8
Yorkgreen Inv (10p) 34¼ 5

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 91⊕ (6/9)
AOG Minerals 19
Aberfoyle 530 (6/9)
Abrolhos Oil and Inv 6⊕ (2/9)
Acorn Secs 70 2 (7/9)
Aetna Life and Casualty £23⅞ US$35¼ (2/9)
Agnico-Eagle Mines £10⅞
Allflex Hldgs 213⊕ 12 (7/9)
Amad 10
Amatil 157⊕ (5/9)
American Cyanamid £37⅞ (7/9)
American Home Products US$45¼⊕ (6/9)
Ampol Expln 224
Ampol 113 16
Amsterdam-Rotterdam Bank £13.35 13.60
Anglo United Development 78.9 81.2 .3 .5
Apple Computer £25⅞ (2/9)
Ashton Mining 107 8 10 (6/9)
Assoc Manganese Mines of SA £37½⊕ (7/9)
Atlantic Richfield £32¼⊕ (7/9)
Aust Foundation Inv 90 (7/9)
Aust Guarantee Corp 131 (5/9)
Aust National Industries 164⊕ 60 4 (5/9)
Australis Mining 39 ½ 40
Asia Oil and Minerals 9½ ¼
Baguio Gold Mining B 1⅛⊕ (2/9)
Balmoral Resources 17½ (7/9)
Bancal Tri-State Corp US$44⅞⊕ (6/9)
Basic Bahamas 95⊕ 5 (7/9)
Basic Resources Int 20⊕
Basin Oil 130 (2/9)
Beach Petroleum 21½ (6/9)
Bearcat Explns 135 (6/9)
Berjuntai Tin Dredging 168⊕ (2/9)

Tri-Continental Corp £17¼ (6/9)
Tunax Resources 103⊕
Union Pacific Corp £37⅞ (6/9)
Utd Goldfields Corp 56 (5/9)
Utd Overseas Bank 167
Valiant Cons 21½⊕ 30-3 ½
Walker (Hiram) Resources £12 (5/9)
We-Fe Management £31¼ (2/9)
Wattle Gully Gold Mines 7½ (5/9)
West Aust Onshore Oil 12⊕ (7/9)
West Coast Transmission 710⊕ (5/9)
Westfield Minerals 150⊕ 50 2
Westinghouse Electric £30⅞ (7/9)
Wheelock Marden B 1¼ (5/9)
Williams £18⅞
Windsor Resources 40 ½ 1½
World Intnl (Hldgs) 14¼ (7/9)
Zone Petroleum 206 (7/9)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Adnams A 380 5 (5/9)
Adnams B (£1) £17.40 50 (5/9)
All England Lawn Tennis Gnd £500 Db 1986-90 £882.5pd £1575 £1,625 (8/9)
Amal Metal Corp (£1) 200 10 (8/9)
Ann Street Brewery (£1) 400 5
Arsenal FC (£1) 250 5 (6/9)
Ascot (10p) 11 ½12
Ass Hotels (50p) 165 70 (5/9)
Bardon Hill 222 ¼ (5/9)
Biotechnology Invs (US$0.02) 314.125 165 925
British Eurolite (10p) 13¼
Bryson Oil, Gas (20p) 150 (8/9)
Central B (£1) 447 52 (5/9)
Ceylon and Indian Planters (£1) 173 5 (7/9)
Channel Hotels and Props (10p) 21 (7/9)
Checkpoint Europe 464 5
CIC Inv (1p) 1⁵⁄₁₆ 1⁷⁄₁₆
Coghlands Props (£1) 110 20 (5/9). 7pc Ln £100 £35 40 (5/9)
Dalkeith (Ceylon) (10p) 15 16 (8/9)
De Gruch (Abraham) (£1) 250 (7/9)
Flightspares (10p) 261 7 (8/9)
Grampian TV (10p) 68 73
Guernsey Gas Light (£1) 380 (7/9)
IG Index (£1) 125 (6/9)
Imperial Continental 12¼pcLn 1985 £99½ 100½ (8/9)
Jersey Gas (£1) 200 (7/9)
Jessel Tst (5p) 10½ 1 (5/9)
LPA (10p) 90 1 (8/9)
Le Riches Stores (£1) 315 20 (5/9)
MRC (10p) 23 4 (6/9)
Memcom Intnl (10p) 85
Merrett (10p) 125 6 (5/9)
Mid-Kent Water 3½pcPerpDb £22 4 (6/9)
Nutalls 7pcPf (£1) 37 40 (5/9)
Oldham Ests (50p) 93 4 (8/9)
Ouvah Highfields (£1) 75 7 (7/9)
Pahang Cons 53 5 (5/9)
Pittencrieff Pet (£1) 120
Principality Bldg Soc 11⅝pcBds £99.957 .926 (5/9)
Shepherd Neame A (£1) 720 5 (5/9)
Southerns Newspapers (£1) 197 203 (6/9)
Tardle Invs (10p) 43 ½ 9
Tottenham Hotspur 100 5 (6/9)
Utd Friendly Insce (10p) 280 5 (7/9)
Walmoughs 5pc1stPf (£1) 20 5 (5/9)
Wolverhampton Racecourse 88 90 (8/9)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Kenmare Oil Expln Ir£8 (2/9)
Pennine Resources 33 5 6

(By permission of the Stock Exchange Council)

THEATRES

Continued from Page 15

Authorised Units—continued

Offshore and Overseas—continued

Target Trust Mgrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mgd Cur Fd	95.5	100.6	....	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$23.11	....		—
T-G Money	$21.43	....		—
T-G E'bond	$15.36	....		—
T-G Com	$20.38	....		—
T-G Mort	C$19.82	....		—
T-G O'seas	$12.41	....		—
T-G Pacific	Y2.061	....		—
T-G Wall St	$25.85	....		—

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417

S&MIyT	$10.13	10.49	—0.05	—

Insurances—continued

INTERNATIONAL COMPANIES and FINANCE

Electronic games division puts Mattel deep into red

BY TERRY DODSWORTH IN NEW YORK

MATTEL, the U.S. toy manufacturer, has reached a temporary financing agreement with its banks after a disastrous slump in its electronic games division pushed it into second quarter losses of $156.1m, compared with a profit of $15.6m.

The loss takes the first-half deficit to $179.4m or $9.79 a share against profit of $31.2m or $1.52. Second quarter sales fell from $329.7m to $226.8m, leaving six-month sales at $424.4m against $620.1m.

The company expects a further loss in the second half of the year and is omitting the quarterly dividend.

The company had already forecast a deficit for the second quarter after running into problems in the final three months of its last financial year to January. But the scale of the loss was much greater than Wall Street expected and the company was immediately downgraded by the Standard and Poor's credit rating agency from double B minus to triple C.

Standard and Poor's said the uncertain outlook for the consumer electronics market and Mattel's high seasonal borrowing requirements indicated greater financial risk. Balance sheet figures published by the company show that shareholders' funds have slumped from $264m at July 1982 to $81m at the same point this year, while bank borrowings have risen by a little over $100m to $410m.

Mattel says that the interim financing agreement will be replaced by a revolving credit arrangement with domestic and foreign banks which will give the company "adequate resources" until June 1985. A definitive loan agreement is expected to be finalised at the end of the third quarter.

The company adds that the traditional toy and hobby division produced record profits of $42m over the last six months. The operating loss of $166.7m recorded by the electronics division in the second quarter included a $95.4m provision against the cost of scaling down the business and stock losses.

Itel plan wins court approval

By Terry Byland in New York

ITEL, the once high-flying computer leasing group whose collapse in January 1981 was one of the largest recorded U.S. business failures, has received court approval for its reorganisation plan and expects to emerge from the shadow of Chapter 11 of the bankruptcy laws within a fortnight.

The reorganisation plan, agreed with both secured and unsecured creditors at the end of last year, will go into operation on September 19.

Secured creditors are owed about $330m and have their debts secured on Itel's continuing rail leasing operations.

Unsecured creditors, owed about $870m, will receive 70 per cent of the stock in the newly-reorganised Itel, which will trade on U.S. over-the-counter stock markets — as yet, they have no quoted price. They will also share in a $385m cash distribution and in $150m of new 10 per cent notes, and in $100m of new preferred stock.

Formal approval by the court was delayed until Itel settled $40m in 13 class suits. In June last year, Itel also settled a suit from underwriters of Lloyd's of London who faced a $500m avalanche of claims against Itel's computer leases when the company failed.

The new Itel group leases cargo containers and other transportation units. In the first half of this year it earned $83.4m but was protected from paying debt interest by its Chapter 11 status.

Ennia and Ago to merge in Fl 420m share swap

BY WALTER ELLIS IN AMSTERDAM

ENNIA and Ago, the two Dutch insurance groups which began merger talks in June, are to go ahead with a link-up that values the equity capital of Ago at Fl 420m ($140m).

The merger, based on a share swap between the two groups, will create the second largest insurance company in the Netherlands with total revenue in the region of Fl 8bn.

Under the deal, Ennia will absorb the capital of Ago in return for Fl 55.5m nominal of Ennia shares and Fl 30m nominal of preferential stock. Ago will then control around 45 per cent of the enlarged Ennia equity.

Ennia's shares rose sharply on the Amsterdam Bourse following yesterday's announcement, to close Fl 16.5 up at Fl 152. Shares in Ago are held by Ago Vereniging, a private trust.

The share swap has been determined on the basis of last year's profit per share and estimated earnings for 1983. Earnings per share for the new group are fixed at Fl 30.04.

In 1982, total revenue at Ennia was Fl 3.55bn. Ago's total came to Fl 3.58bn. In the six months to the end of June 1983, Ennia's earning increased by 7 per cent to Fl 56m. At Ago, net profit went up by 40 per cent to Fl 55m.

Both companies are strong in life and non-life business, with life providing the bulk of earnings in recent years. About 40 per cent of the projected income of the merged group will derive from abroad, with a high concentration of business in the U.S.

Within the Netherlands, only Nationale Nederlanden, with revenue last year of more than Fl 11bn, will be bigger.

Straits Trading edges ahead

By Chris Sherwell in Singapore

STRAITS TRADING, the Singapore tin and investment group, reports marginally higher pre-tax profits on a slightly reduced turnover for the six months to June compared with the same period last year.

Pre-tax profit was S$24.3m (US$11.3m) against S$24.03m on turnover down from S$488m to S$469.24m. Trading profit fell to S$8.8m from S$9.27m. Group profit, after tax and minority interest, was S$12.82m against S$14.67m last year.

The directors declared a first interim dividend of 5 cents a share and said they expected second half results to approximate those of the first.

Property revenue benefited from increased rents from buildings in Singapore and Kuala Lumpur and from the Butterworth development project.

But investment income was affected by reduced dividends of tin mining and plantation companies, and by the translation of offshore income into Singapore currency — a reflection of the strength of the Singapore dollar.

Harris merges with Lanier

By Our New York Staff

HARRIS, the U.S. computer manufacturer, has completed an agreed merger with Lanier, a specialist in automated office equipment, in a deal worth around $290m at current share prices.

Dr Joseph Boyd, the Harris chairman, said the merger would bring together two complementary product lines and sales forces. Harris is a specialist in sophisticated computers, while Lanier sells copier machines and large volume products such as dictation machines.

Dome man resigns

Mr William E. Richards is to resign as president of Dome Petroleum, the troubled Calgary-based oil and gas group, on October 1. That is when Mr Howard Macdonald, now group treasurer of Royal Dutch Shell, becomes Dome's chairman and chief executive. Mr Richards will be part-time consultant to the company.

Reynolds team examines spin-off of Sealand unit

BY WILLIAM HALL IN NEW YORK

R. J. REYNOLDS, the U.S. tobacco and consumer goods conglomerate, has set up a special task force to investigate the feasibility of spinning off Sealand, the world's biggest container shipping group in a deal which could be worth upwards of $750m.

Reynolds disclosed last month in a filing with the Securities and Exchange Commission that it was considering the possibility of divesting itself of Sealand. It has now given Mr Joseph Abely, vice-chairman of Reynolds, the job of heading the task force. Assuming the spin-off goes ahead, Mr Abely will take over as chairman and chief executive of Sealand.

The present chief executive of Sealand is Mr Charles Hiltzheimer

Reynolds bought Sealand from its founder, Mr Malcolm McLean, in 1969 for $500m. In recent years Reynolds has been positioning itself increasingly as a worldwide consumer products group and Sealand, which makes heavy demands on the group's capital, has looked increasingly out of place.

Last year Sealand reported operating earnings of $157m on revenues of $1.6bn which makes it more than twice the size of its closest rivals, American President Lines and U.S. Lines.

The task force is due to report by early next year.

Reynolds is the latest in a growing list of U.S. companies to consider spinning off its shipping subsidiary. In recent years IU International has spun off Gotaas Larsen. GATX has divested itself of Marine Transport Lines and last week Natomas, which is being taken over by Diamond Shamrock, agreed to divest itself of American President Lines, one of Sealand's main U.S. competitors.

MAS back in profit

Malaysian Airline System (MAS), has returned to profitability with a net profit of 8.78 ringgit (U.S.$3.7m) for the year ended March, compared with a loss of 39m ringgit previously, writes Wong Sulong in Kuala Lumpur.

Wereldhave to acquire Dutch property fund

BY OUR AMSTERDAM CORRESPONDENT

WERELDHAVE, the Rotterdam-based property group fighting a takeover bid by two Dutch pension funds, is to acquire BBVG, an Amsterdam investment fund specialising in real estate.

BBVG has a property portfolio worth some Fl 120m, and its acquisition would take Wereldhave's total assets up to around Fl 1.2bn ($400m).

BBVG is to exchange its participation receipts for Wereldhave shares — valued yesterday at Fl 151 — at a ratio of one to one. Wereldhave has already acquired 50 per cent of BBVG's outstanding receipts.

Meanwhile, PGGM, the main Dutch civil service pension fund, and PVM, the pensions division of Dutch state mines, are continuing with their opposed bid for Wereldhave on the basis of Fl 155 per share.

With the purchase by Wereldhave of BBVG, the pension funds will have to pay out even more if they are to achieve their goal of 76 per cent of Wereldhave's equity.

Good half-year for Privatbanken

BY HILARY BARNES IN COPENHAGEN

PRIVATBANKEN, Denmark's third largest commercial bank, reports an increase in first half profits from DKr 63m to DKr 1.56bn ($162.3m).

The steep increase stemmed entirely from a major revaluation of the bank's securities portfolio. Earnings before the adjustment, tax, loss provisions and depreciation were down from DKr 116m to DKr 66m.

Operating earnings were adversely affected by a narrowing of the margin between interest on loans and deposits. But the bank says operating earnings in the current half will be higher than in the first six months.

Sharp earnings advance at Nicholas Kiwi

By Michael Thompson-Noel in Sydney

NICHOLAS KIWI, the Australian-based pharmaceuticals to shoe-polish group, increased net profits for the year to June 30 by 39.4 per cent, from A$15.5m to A$21.7m (U.S.$18.9m), on turnover up 16.3 per cent at A$311m.

The final dividend is 7 cents a share, for a total of 13 cents, against 11 cents last year, and is covered by earnings per share of 29.3 cents, against 21 cents previously.

The group operates in Africa, Asia, the Americas, Europe and the Pacific, with most of its sales in Europe.

Given reasonable economic conditions, the group said, further growth in turnover and profits should be seen in the current year.

The 1982-83 results marked the first combined year's trading of the Nicholas and Kiwi groups, which merged in December, 1981.

Tax in the latest full year was A$15.8m, against A$12.6m previously.

Steep decline for Wormald

By Our Financial Staff

WORMALD International, the Australian security and fire protection equipment maker, suffered a 21 per cent fall in net earnings for the year ended June to A$22.1m (US$19.3m). Group sales rose 3 per cent to A$813m.

The group said the world recession had a greater than expected effect on trading in the second half. Extremely competitive bidding in all markets for reduced volumes had a significant effect on prices and margins, despite vigorous cost control.

The final dividend is 10 cents making an unchanged 20 cents a share for the year.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

MARKET REPORT

Leading electrical weakness triggers general decline which leaves index 8.7 off at 704.9

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

After opening firmly, leading shares floundered yesterday and finished the first leg of the trading Account in bedraggled fashion. Speculation that underwriting of the proposed Government sale of **British Petroleum** shares was in progress and the two-day Jewish holiday continued to dampen investment interest. But the chief cause of yesterday's downturn in equities was midday weakness in leading Electricals.

Thorn EMI initiated the rout, falling quickly on reports of the chairman's cautious view of second-half trading; this was delivered at yesterday's annual general meeting which turned into a lively affair. **GEC**, which also held its AGM yesterday, soon followed as complaints filtered through about the lack of information about future trading prospects. In the sector, only **Plessey** managed to buck the trend on hopes of naval radar contracts.

Other leading industrials went easier as market thoughts turned to this week's U.S. money supply figures, due to be announced after yesterday's close on Wall Street. Of the London sectors, Life Insurances sustained fresh losses ranging to double figures with sentiment still disturbed by ***Prudential's*** interim statement. In contrast, cleaning shares went better in response to the possibility of more NHS contracts.

Illustrating the performance of the equity leaders, the FT Industrial Ordinary share index was fractionally higher at the first calculation, only a net 1.7 off at noon but finally 8.7 down at 704.9; the sharp falls in Thorn EMI and GEC accounted for 2½ points of the loss. On the week, however, the index gave up only 0.9.

The Gilt-edged market opened lower but met with fresh investment demand. Smaller than in the two previous days, the buying caused quotations to gradually regain early losses and move fractionally higher to end a more confident week for British Funds on a firm note. As expected, there was no announcement of new Government funding at the 3.30 pm official close.

Insurances flat

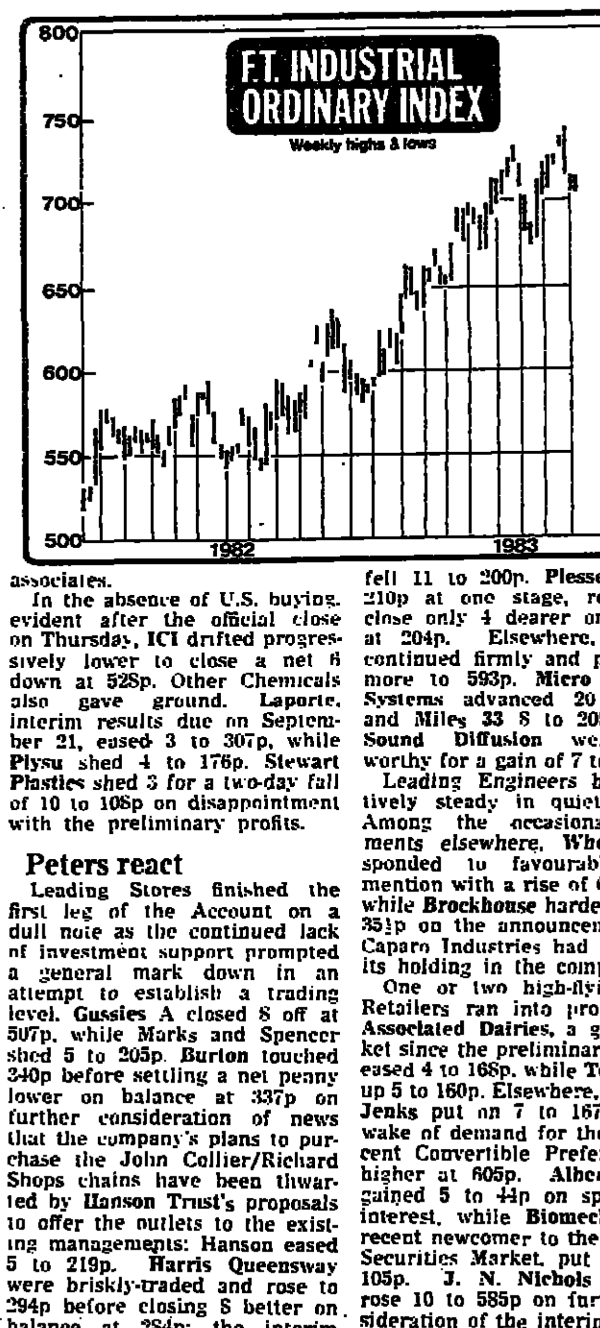
Comment on the interim results and the group's general reinsurance business prompted fresh weakness in **Prudential** which shed another 22 for a two-day drop of 44 to 442p. Other Life issues were also dull, but losses were confined to single figures. The tone in Composites deteriorated and double-figure falls became commonplace. **Eagle Star**, speculatively supported earlier in the week, came back 12 to 446p; Allianz has stated that it has no intention at present of selling its 28 per cent stake in the company. **GRE** shed 15 to 463p despite a broker's recommendation and **General Accident** closed similarly lower at 422p. **Royals** lost 13 to 492p. Among Lloyd's brokers, **C. E. Heath** shed 5 to 298p; the company has acquired a 45 per cent stake in a Canadian insurance broker for $800,000. **Willis Faber** eased 7 to 543p but **Stewart Wrightson** put on 6 to 241p, the latter on second thoughts about the interim results.

The major clearing Banks held steady to firm, but Irish Banks turned easier, **Allied Irish** losing 7 to 138p and **Bank of Ireland** 8 to 245p.

Ivory and Sime, which staged a disappointing market debut on Monday, but has since recovered strongly, held at 70p; four directors have sold 495,000 shares in the company to a single institution at 67p per share.

Firm on Thursday reflecting support in the wake of a broker's visit, **Scottish and Newcastle** remained to the fore following the announcement of rationalisation proposals for its Edinburgh plants and added 2½ for a two-day gain of 6 at 90½p. Other leading Breweries continued to react to scattered selling and finished with small falls. **Allied-Lyons**, 138p, and **Bass**, 333p, both shed around 4, while **Whitbread** gave up a couple of pence to 137p. **Grand Metropolitan** were again dull, easing 4 to 316p, amid rumours that a large line of stock is overhanging the market. Regionals featured **Wolverhampton and Dudley** which advanced 12 to 284p on technical influences.

Sellers gained the upper hand in Buildings, but losses were small. **Tarmac** gave up 10 to 400p, while **Blue Circle**, 428p, and **RMC**, 343p, shed 4 apiece. Against the trend among cement issues, **Marshalls (Halifax)** gained 5 to 148p in response to a brokers recommendation. Elsewhere, **Barratt Developments** softened a couple of pence to 216p and **George Wimpey** lost the turn to 113p; the former's preliminary results are due on September 20. **Taylor Woodrow**, a shade firmer initially, drifted back to close 5 cheaper on balance at 550p. In contrast, **Thomas Warrington** attracted scattered support and firmed 4 to a 1983 peak of 94p, while **Aberdeen Construction** improved 6 to 186p. **Edward Jones** firmed a penny for a gain on the week of 10 to a year's high of 26p; yesterday, it was confirmed that Centreway Industries had sold its 23.7 per cent holding in the company to two private individuals, Nicholas Morris and Dr Richard Petty and associates.



In the absence of U.S. buying, evident after the official close on Thursday, **ICI** drifted progressively lower to close a net 6 down at 528p. Other Chemicals also gave ground. **Laporte**, interim results due on September 21, eased 3 to 307p, while **Plysu** shed 4 to 176p. **Stewart Plastics** shed 3 for a two-day fall of 10 to 108p on disappointment with the preliminary profits.

Peters react

Leading Stores finished the first leg of the Account on a dull note as the continued lack of investment support prompted a general mark down in an attempt to establish a trading level. **Gussies A** closed 8 off at 507p, while **Marks and Spencer** shed 5 to 205p. **Burton** touched 340p before settling a net penny lower on balance at 337p on further consideration of news that the company's plans to purchase the John Collier/Richard Shops chains have been thwarted by **Hanson Trust's** proposals to offer the outlets to the existing managements; Hanson eased 5 to 219p. **Harris Queensway** were briskly-traded and rose to 294p before closing 8 better on balance at 284p; the interim results are scheduled for September 29. Speculative demand lifted **Church** 10 to 338p, and **Amber Day** 2½ to 12½p, the latter helped by call option business. In contrast, **Peters** encountered profit-taking and, at 86p, gave up 14 of Thursday's speculative jump of 18.

A cautious statement by the chairman of **Thorn EMI** about profit expectations in the second half of the year coupled with an uninspiring report from the chairman of GEC's annual meeting unsettled the Electrical leaders. **Thorn EMI** showed particular weakness and closed around the day's lowest with a fall of 30 to 592p, while **GEC** fell 11 to 200p. **Plessey**, up to 210p at one stage, reacted to close only 4 dearer on balance at 204p. Elsewhere, **Ferranti** continued firmly and put on 11 more to 593p. **Micro Business Systems** advanced 20 to 480p and **Miles 33** 8 to 205p, while **Sound Diffusion** were noteworthy for a gain of 7 to 107p.

Leading Engineers held relatively steady in quiet trading. Among the occasional movements elsewhere, **Whessoe** responded to favourable Press mention with a rise of 6 to 130p, while **Brockhouse** hardened 1½ to 35½p on the announcement that Caparo Industries had increased its holding in the company.

One or two high-flying Food Retailers ran into profit-taking. **Associated Dairies**, a good market since the preliminary results, eased 4 to 168p, while **Tesco** gave up 5 to 160p. Elsewhere, **Paterson Jenks** put on 7 to 167p in the wake of demand for the 11½ per cent Convertible Preference, 20 higher at 605p. **Albert Fisher** gained 5 to 44p on speculative interest, while **Biomechanics**, a recent newcomer to the Unlisted Securities Market, put on 12 to 105p. **J. N. Nichols (Vimto)** rose 10 to 585p on further consideration of the interim figures.

Still responding to the recently agreed deal to develop catering rights to the Trocadero site close to Piccadilly Circus, **Kennedy Brookes** gained 10 to a 1983 peak of 253p.

Pilkington fall

Lack of support and occasional offerings made for a drab session in the miscellaneous industrial leaders. Unsettled by the none too encouraging tenor of the chairman's remarks on profitability at the annual meeting, **Pilkington Brothers**, down 12 at 228p, showed an above-average fall. **Glaxo** gave up 20 to 775p and **Boots** 6 to 159p, while **Beecham** closed 5 down at 330p. **Sunlight Service** closed 15 up at 240p, after 245p; it was announced yesterday that **Brengreen** had purchased a further 850,000 ordinary shares at 250p in the market. Other cleaning issues were enlivened by the Government's directive to hasten moves towards privatisation of the hospital ancillary services. **Initial** rose 7 to 492p. **Johnson Cleaners** 7 to 310p and **Sketchley** 5 to 405p.

Further consideration of the interim figures left **Bestobell** 15 to the good at 305p, while demand in a market none too well supplied with stock prompted a rise of 10 to 420p in **Smiths Industries**. **Associated British Ports** advanced 6 to 190p on buying ahead of next Thursday's interim results, and, still reflecting the chairman's annual statement **J. and J. Dyson "A"** gained 8 more to 69p. **Portals** improved 20 further to 585p in a difficult market, but comment on the half-year figures left **Cookson** 10 down at 216p, and **Hepworth Ceramic** 5 off at 131p. **LCP** improved 5 more to 100p on continued speculation about the possible flotation of the company's U.S. subsidiary Whitlock Corporation.

AE rallied 1½ to 51½p but still retained a fall on the week of 9½ following the referral to the Monopolies Commission of the agreed offer from **GKN**, a couple of pence easier at 176p. Second thoughts on the interim statement clipped 3 from **Automotive Products**, 38p, while **Abbey Panels** held at 54p despite the halved interim profits and gloomy accompanying statement.

Interest rate hopes helped Properties to buck the generally dull trend in equities. Buyers showed interest in the leaders with **Land Securities** rising 6 to 314p and **MEPC** 5 to 213p. **Slough Estates** firmed 3 to 109p, additionally helped by a broker's recommendation, while **Great Portland Estates**, 130p, and **Brixton Estate**, 109p, hardened a couple of pence apiece. Elsewhere, **Espley Tyas** attracted revived support and put on 4 to 86p, while **C. H. Beazer** firmed 6 to 230p. Mr A. Oaks and Mr N. Holmes' decisions not to exercise their option to acquire a 25.84 per cent stake in the company left **Amalgamated Estates** 3 down at 13p, after 12p.

In Textiles, **Sirdar**, a rising market of late anticipating next week's annual results, met profit-taking and eased 6 to 184p. **Youghal Carpets** were briskly traded following the interim results and moved between 17p and 13½p before settling for a net fall of a penny at 14½p, the sharply reduced first-half deficit being overshadowed by the bearish tone of the accompanying statement.

Investment Trusts mirrored the apathy shown elsewhere in equities and noteworthy movements were again rare. Far Eastern issues made modest progress with **G. T. Japan**, 593p, and **Crescent Japan**, 577p, up 9 and 6 respectively. **Camellia** improved 20 to a 1983 peak of 610p following the disposal of a subsidiary.

BP easier

Restrained by the expected imminent Government sale of BP shares, Oils remained a nervous market. **BP** were also unsettled by reports that the Government may not agree to the proposed sale of 12.5 per cent of its North Sea Forties field and gave up 6 to 434p. **Shell** eased 4 to 624p and **Britoil** 6 to 250p. **Burmah**, awaiting next Wednesday's interim statement, lost 5 to 179p. Among the Irish stocks, **Atlantic** gained 30 to 400p, while **Eglinton**, still inspired by talk of a South American oil find, advanced 25 more to 310p.

Winkelhaak firm

Persistent overnight American buying got South African Golds off to a strong start yesterday, despite another uninspired performance by the bullion price which closed a net 75 cents better at $414.625 an ounce.

Much of the U.S. interest was directed towards the Evander mines in the Gencor group which declared much better-than-expected dividends on Wednesday.

Prominent among these were **Winkelhaak**, which put on ¾ to a 1983 high of £34¾. **Bracken** gained 9 to 280p, **Kinross** ¼ to £18 and **Leslie** 6 to 328p.

The next batch of dividends due is that of the Orange Free State mines in the Anglo American group which are expected to declare final dividends sometime around October 21, along with **ERGO**, scheduled to announce an interim dividend.

The Gold Mines index rose 7.4 to 691.0 for a week's gain of 11.2.

The London Financials showed **Gold Fields** 7 cheaper on the day, but up 8 on the week, at 608p ahead of full-year results expected on Tuesday. **RTZ** eased 3 to 652p; interim figures are scheduled for October 21.

Interest in Australians remained centred on Golds. **Poseidon** met selling in overnight Sydney and Melbourne markets and this followed through into London where the share price dropped 23 to 360p.

Other weak spots included **Jones Mining**, which fell 8 to 65p, and **North Kalgurli**, 2 easier at 82p.

On the other hand, renewed demand was seen in **Metana Minerals**, which rose 10 to 181p and **Ivanhoe Gold**, a penny firmer at 19p.

Operators again proved reticent to commit funds to Traded Options and contracts done amounted to only 1,444, bringing the week's daily average to a disappointing 1,597. Much of yesterday's business was transacted in Electricals following the none-too-encouraging statements from the GEC and Thorn EMI annual meetings. GEC attracted a two-way business with 157 calls and 231 puts struck, with the October 240 puts 12 up at 42p. Racal recorded 280 calls and 66 puts.

FINANCIAL TIMES STOCK INDICES

	Sept. 9	Sept. 8	Sept. 7	Sept. 6	Sept. 5	Sept. 2	year ago
Government Secs.	79.98	79.97	79.93	79.71	79.63	79.45	77.86
Fixed Interest	82.42	82.38	82.32	82.24	82.16	82.27	78.79
Industrial Ord.	704.9	713.6	712.4	714.5	713.2	705.8	574.6
Gold Mines	691.0	683.6	684.5	685.5	682.3	679.8	347.7
Ord. Div. Yield	4.85	4.76	4.76	4.74	4.74	4.79	6.10
Earnings, Yld.% (full)	9.65	9.51	9.56	9.55	9.56	9.65	11.10
P/E Ratio (net) (*)	12.92	13.11	13.02	13.04	13.02	12.92	10.84
Total bargains	18,020	18,730	18,220	17,815	20,003	20,646	19,062
Equity turnover £m.	--	213.00	253.76	214.54	143.82	208.45	156.06
Equity bargains	--	14,927	15,536	16,165	16,851	19,890	14,581
Shares traded (ml)	—	127.3	221.5	123.7	104.9	146.8	108.3

10 am 713.7, 11 am 712.9, Noon 711.9, 1 pm 708.5, 2 pm 708.2, 3 pm 706.9.

Basis 100 Govt Secs 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.18.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.60 (13/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (13/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 8	Sept. 7
—Daily		
Gilt Edged Bargains	136.2	147.0
Equities Bargains	96.7	100.7
Value	430.5	612.9
5-day Avrge		
Gilt-Edged Bargains	137.4	135.9
Equities Bargains	108.0	110.9
Value	418.2	403.4

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, September 8, 1983.

Newspapers, Publishing	+59.23	Electricals	+22.58
Oils	+49.61	Metals and Metal Forming	+19.13
Motors	+48.82	All-Share Index	+18.85
Other Industrial Materials	+45.87	Health and H'sehold. Products	+16.88
Shipping and Transport	+39.36	500 Share Index	+16.82
Office Equipment	+39.07	Insurance Brokers	+13.02
Chemicals	+37.87	Food Retailing	+12.54
Mining Finance	+36.34	Industrial Group	+11.32
Merchant Banks	+33.97	Property	+10.68
Packaging and Paper	+33.90	Capital Goods	+ 9.21
Other Groups	+33.55	Engineering Contractors	+ 8.15
Insurance (Life)	+32.46	Consumer Group	+ 7.91
Other Consumer	+28.92	Building Materials	+ 6.04
Overseas Traders	+28.42	Food Manufacturing	+ 4.34
Insurance (Composite)	+27.36	Mechanical Engineering	+ 3.20
Banks	+26.21	Stores	+ 3.03
Investment Trusts	+25.18	Discount Houses	+ 1.88
Leisure	+24.82	Contracting, Construction	− 0.04
Textiles	+23.72	Brewers and Distillers	− 0.67
Financial Group	+23.54	Tobaccos	− 8.09
Gold Mines Index	+22.84		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16

For rate indications see end of Share Information Service

Stocks favoured for the call included **Polly Peck**, **Amber Day**, **Wearwell**, **Land Securities**, **Mettoy**, **LCP**, **London and Liverpool Trust**, **Jefferson Smurfit**, **Ivanhoe** and **W. E. Norton**. No puts were done, but doubles were taken out in **Polly Peck** and **Bellair**.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Sept 9 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs Sept 8 Index No.	Wed Sept 7 Index No.	Tues Sept 6 Index No.	Mon Sept 5 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (207)	459.02	−1.2	8.90	3.80	14.49	464.71	463.38	463.58	460.75	421.86	484.42 (26/4)	413.64 (27/1)	484.42 (26/4/83)	50.71 (13/12/74)
2	Building Materials (23)	421.00	−1.3	10.79	4.77	11.63	426.66	427.08	425.39	421.49	241.47	462.65 (15/3)	402.34 (1/1)	462.65 (15/3/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	726.87	−0.6	12.25	4.74	10.14	731.05	731.42	719.86	718.29	637.94	831.09 (15/3)	711.71 (2/9)	831.09 (15/3/83)	71.48 (2/12/74)
4	Electricals (36)	1703.97	−1.9	7.74	2.22	16.80	1737.08	1720.95	1727.05	1705.56	1729.44	1909.93 (3/6)	1523.07 (27/1)	1909.93 (3/6/83)	84.71 (25/6/62)
5	Engineering, Contractors (10)	466.00	−0.1	14.43	5.97	8.62	466.32	468.26	469.52	468.03	481.75	503.86 (27/4)	391.02 (1/2)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (64)	199.51	−0.1	11.98	5.56	10.46	199.73	200.19	200.56	200.28	204.48	225.27 (27/4)	193.53 (1/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (10)	174.40	−0.8	10.85	6.72	11.14	175.89	174.43	176.35	179.18	146.50	187.60 (7/4)	147.60 (4/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	114.96	−0.3	—	4.98	—	115.30	116.28	117.05	116.51	79.93	122.50 (22/8)	76.73 (24/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (16)	528.70	−0.8	5.52	4.19	23.92	532.87	536.39	535.54	538.43	347.75	554.92 (16/8)	362.82 (1/1)	554.92 (16/8/83)	277.55 (15/1/81)
21	CONSUMER GROUP (199)	429.65	−1.0	10.51	4.52	11.66	434.20	434.40	435.53	434.99	348.66	446.20 (22/8)	395.44 (12/1)	446.20 (22/8/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	442.59	−1.0	12.65	5.14	9.87	447.13	447.95	450.15	450.06	385.55	486.54 (15/2)	433.18 (30/3)	486.54 (15/2/83)	69.47 (13/12/74)
25	Food Manufacturing (22)	337.01	—	13.36	5.91	8.76	337.12	335.67	334.00	333.90	293.60	350.37 (10/3)	318.68 (23/5)	350.57 (10/3/83)	59.67 (11/12/74)
26	Food Retailing (13)	958.14	−0.9	7.01	2.66	18.43	967.32	961.52	955.00	955.90	753.76	967.32 (8/9)	815.37 (30/3)	967.32 (8/9/83)	54.25 (11/12/74)
27	Health and Household Products (8)	761.39	−1.7	5.81	2.83	20.44	774.93	779.33	788.66	786.05	533.56	879.98 (18/4)	663.01 (1/1)	879.98 (18/4/83)	175.38 (28/5/80)
29	Leisure (22)	571.45	−1.4	8.89	4.76	14.51	579.74	579.47	579.30	580.85	428.09	587.90 (22/8)	451.80 (12/1)	587.90 (22/8/83)	54.83 (9/1/75)
32	Newspapers, Publishing (14)	999.55	+0.1	8.29	4.52	14.90	998.13	999.60	1003.55	974.73	531.51	1003.55 (6/9)	619.26 (4/1)	1003.55 (6/9/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	188.99	−0.1	11.77	5.37	10.32	189.08	189.50	188.30	188.09	139.56	197.56 (18/8)	139.78 (4/1)	197.56 (18/8/83)	43.46 (6/1/75)
34	Stores (48)	384.00	−1.7	8.22	3.88	16.49	390.68	388.91	389.60	389.35	319.90	403.06 (22/8)	342.40 (24/1)	403.06 (22/8/83)	52.63 (6/1/75)
35	Textiles (22)	212.32	+0.1	11.77	5.40	10.14	212.11	211.97	212.65	211.16	161.86	219.74 (22/8)	171.44 (1/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	406.83	−6.5	24.34	7.64	4.60	408.81	416.93	420.59	420.70	396.73	516.31 (3/2)	395.33 (10/8)	516.31 (3/2/83)	94.34 (13/6/62)
39	Other Consumer (10)	435.05	+1.0	5.55	4.72	—	430.86	430.77	432.74	438.16	274.80	438.16 (5/9)	334.21 (1/1)	438.16 (5/9/83)	229.84 (28/9/81)
41	OTHER GROUPS (79)	385.51	−0.6	8.11	4.42	15.61	388.79	387.50	388.60	385.97	265.41	401.25 (11/8)	288.55 (12/1)	401.25 (11/8/83)	58.63 (6/1/75)
42	Chemicals (15)	528.39	−1.0	8.56	4.78	15.30	533.78	534.64	539.56	535.17	347.78	562.43 (11/8)	379.93 (12/1)	562.43 (11/8/83)	71.20 (1/12/74)
44	Office Equipment (6)	112.70	+0.1	8.51	4.56	15.00	112.58	113.53	111.47	109.01	105.33	121.17 (5/8)	80.95 (1/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (15)	730.29	+0.6	6.95	5.57	20.44	726.02	715.90	711.23	709.13	548.97	730.29 (9/9)	520.64 (4/1)	730.29 (9/9/83)	90.80 (29/6/62)
46	Miscellaneous (43)	526.25	−0.5	7.93	3.95	15.15	529.15	525.66	526.45	523.97	355.74	541.97 (22/8)	409.35 (12/1)	541.97 (22/8/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (485)	437.01	−1.0	9.60	4.26	13.02	441.59	441.04	441.88	440.24	361.90	454.25 (22/8)	391.26 (12/1)	454.25 (22/8/83)	59.01 (13/12/74)
51	Oils (15)	1036.85	−1.1	10.86	5.71	12.13	1048.24	1033.31	1036.10	1025.04	742.44	1071.68 (15/8)	693.58 (28/2)	1071.68 (15/8/83)	87.23 (29/5/62)
59	500 SHARE INDEX	487.42	−1.1	9.83	4.53	12.64	492.52	490.80	491.35	489.35	393.02	505.31 (18/8)	419.14 (12/1)	505.31 (18/8/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (123)	329.48	−0.5	—	5.80	—	331.02	333.48	333.77	330.62	251.85	342.09 (22/8)	267.24 (4/1)	342.09 (22/8/83)	55.88 (13/12/74)
62	Banks (6)	351.52	+0.6	24.32	7.25	4.49	349.48	349.76	347.08	344.17	255.40	363.93 (27/5)	273.48 (4/1)	363.93 (27/5/83)	62.44 (12/12/74)
63	Discount Houses (8)	298.36	+0.8	—	9.08	—	295.92	295.02	297.42	296.50	281.22	316.24 (26/4)	270.71 (31/1)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	462.53	−2.2	—	4.80	—	472.87	487.65	489.04	482.71	291.08	498.12 (18/8)	332.67 (12/1)	498.12 (18/8/83)	44.88 (2/1/75)
66	Insurance (Composite) (10)	218.21	−2.0	—	6.99	—	222.55	224.46	225.26	222.96	164.11	240.49 (17/8)	174.73 (4/1)	240.49 (17/8/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	547.05	−1.2	12.11	5.28	11.41	553.77	557.46	568.91	560.28	511.05	631.47 (12/4)	489.98 (1/1)	631.47 (12/4/83)	65.86 (16/12/74)
68	Merchant Banks (13)	203.22	−0.3	—	4.48	—	203.91	203.96	205.21	205.43	142.67	209.23 (31/8)	152.21 (1/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (53)	462.18	+1.0	6.13	4.04	21.90	457.38	457.94	461.01	452.97	424.74	483.94 (25/4)	410.37 (12/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (17)	240.47	—	12.11	5.64	9.92	240.45	240.17	238.73	239.81	166.76	263.61 (25/3)	183.23 (4/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (108)	448.07	−0.1	—	3.95	—	448.47	446.51	443.30	441.52	316.16	454.36 (22/8)	358.26 (1/1)	454.36 (22/8/83)	71.63 (13/12/74)
81	Mining Finance (4)	320.26	−0.8	5.83	4.56	22.03	322.79	322.41	327.91	325.46	225.09	330.44 (22/8)	236.76 (1/1)	330.44 (22/8/83)	66.31 (30/9/74)
91	Overseas Traders (15)	498.68	−0.3	7.22	7.50	21.21	500.28	497.22	494.61	490.68	369.25	505.99 (19/8)	387.01 (4/1)	505.99 (19/8/83)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	450.21	−0.9	—	4.73	—	454.25	453.38	454.11	451.51	355.79	465.74 (18/8)	382.22 (1/1)	465.74 (18/8/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Sept 9	Day's change %	Thurs Sept 8	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.43	+0.16	116.24	—	7.65
2	5-15 years	127.43	+0.13	127.27	—	9.39
3	Over 15 years	136.42	+0.06	136.34	—	10.29
4	Irredeemables	146.70	−0.26	147.08	—	8.90
5	All Stocks	125.63	+0.12	125.49	—	9.14
6	Debentures and Loans	102.65	+0.04	102.61	—	7.41
7	Preference	76.48	+0.14	76.37	—	5.01

	AVERAGE GROSS REDEMPTION YIELDS		Fri Sept 9	Thurs Sept 8	Year ago (approx)	1983 Highs	1983 Lows
	British Government						
1	Low	5 years	10.09	10.10	9.10	10.18 (11/8)	8.69 (5/1)
2	Coupons	15 years	10.54	10.56	10.75	[illegible]	9.80 (13/6)
3		25 years	10.55	10.53	10.78	[illegible]	9.47 (13/6)
4	Medium	5 years	11.76	11.78	11.52	12.16 (22/1)	10.98 (13/6)
5	Coupons	15 years	11.19	11.20	11.15	11.71 (24/1)	10.55 (13/6)
6		25 years	10.57	10.57	11.16	11.15 (24/1)	9.99 (13/6)
7	High	5 years	11.86	11.86	11.61	12.29 (24/1)	11.05 (13/6)
8	Coupons	15 years	11.40	11.39	11.92	11.98 (24/1)	10.65 (13/6)
9		25 years	10.69	10.69	11.35	11.38 (24/1)	10.15 (13/6)
10	Irredeemables		10.05	10.05	10.84	11.07 (2/2)	9.49 (13/6)
11	Debs & Loans	5 years	12.41	12.43	12.66	12.99 (1/2)	11.78 (13/6)
12		15 years	12.63	12.64	12.79	13.29 (24/1)	11.86 (13/6)
13		25 years	12.60	12.65	12.65	13.06 (24/1)	11.66 (13/6)
14	Preference		12.93	12.92	13.55	13.26 (24/1)	11.97 (1/7)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Huntleigh Group (10) and Broadstone Inv. Trusts (71) have been deleted and replaced by Oceonics Group (4).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (74)

AMERICANS (5)
Colt Inds, Honeywell, Ford Motor, U.S. Steel, Gen. Foods Corpn.

CANADIANS (4)
Bow Valley, Rio Algom, Brascan, Tor. Dom. Bank

BANKS (1)
Westpac

BUILDINGS (5)
Benford Concrete, Notts. Brick, British Dredging, Warrington (T.), Jones (Edward)

STORES (4)
Church, Northern Goldsmiths, Liberty, Readicut Intl.

ELECTRICALS (1)
Murray Tech. Invs.

FOODS (1)
Low (Wm.)

HOTELS (1)
Kennedy Brookes

INDUSTRIALS (18)
Abbey, Intereurope Tech. S., Assoc. Brit. Ports, Jenks & Cattell, Bogod-Pelepah, Kleen-E-Ze, Bridport-Gundry, LCP Hldgs., B.H. Prop., Marling Inds., Consultants (Comp. & Fin.), Ovenstone Invs., Crean (J.), Sidlaw Group, Gripperrods, Solicitors Law, Highgate Optical, Sunlight Service

INSURANCE (1)
Liberty Life

MOTORS (1)
Group Lotus Car

NEWSPAPERS (2)
Fleet Hldgs., Intl. Thomson

PAPER (1)
Smurfit (Jefferson)

PROPERTY (1)
Utd. Real Prop.

SHIPPING (1)
Lond. O'seas Frghtrs.

SOUTH AFRICANS (1)
Messina

TEXTILES (2)
British Mohair, Youghal Carpets

TRUSTS (18)
Baillie Gifford Japan, G T. Japan, Brit. Empire Sec., Greenfriar Inv., Camellia Invs., Japan Assets, City & Comm. Cap., Lake View, Crescent Japan, Lond. & Lennox, Drayton Cons., Outwich Inv., Dualvest Cap., Scot. East. Inv, Eng. & Intl., TR Pacific Basin, Fleming Japanese, Tribune Inv.

OILS (2)
Sceptre Res., Woodside Pet.

MINES (4)
Winkelhaak, Anglo American Gold, Vaal Reefs, Tanjong Tin

NEW LOWS (16)

BANKS (1)
Grindlays

BREWERS (3)
Boddingtons, Morland, Greenall Whitley

BUILDINGS (3)
Jarvis (J.), Mowlem (J.), Lawrence (W.)

CHEMICALS (1)
Coates Bros. A N-V

STORES (3)
GUS, Jones (E.), Do. A

ENGINEERING (2)
Camseal, Jones & Shipman

PROPERTY (2)
Amal. Estates, Thames Inv. & Secs.

TRUSTS (1)
Gresham House

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	52	8	40	347	37	116
Corpns. Dom. and Foreign Bonds	3	5	70	73	17	292
Industrials	240	245	884	1,409	1,063	4,375
Financial and Props.	111	72	333	637	317	1,628
Oils	20	25	67	145	107	308
Plantations	3	1	17	13	13	79
Mines	43	33	87	246	184	405
Others	56	49	82	329	185	439
Totals	528	438	1,580	3,199	1,903	7,642

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Res.	400	+30	Land Securities	314	+ 6
Cookson Grp.	216	−10	Metana	181	+10
Eagle Star	446	−12	Peters Stores	86	−14
Eglinton Oil & Gas	310	+25	Plessey	204	+ 4
GEC	200	−11	Prudential	442	−22
Harris Queensway	284	+ 8	Thorn EMI	592	−30

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	on week	Stock	No. of changes	Thurs. close	on week
Inter-City Inv.	118	93	−12	BP	71	440xd	+ 9
Exco Int'l	81	548	+40	Glaxo	69	795	+15
Hoover "A"	81	205	+45	BTR	66	530	− 2
Edenspring Invs	80	14	+ 1½	ICI	66	534	− 3
GEC	80	211	+ 6	Kraft Prods	65	190	−60
Mettoy	77	11	+ 6	Hanson Tst	65	234	− 5
RTZ	75	655	− 2	Ivory & Sime	65	70*	+ 8

*Based on opening price

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Inter-City Inv.	17	93	+ 2	Edenspring Invs	10	14	+ ¼
Assoc. Telecom.	16	145	—	Glaxo	10	795	−10
BP	13	440	+10	ICI	10	534	− 3
Hanson Tst.	13	224	+ 5	Prudential	10	464	−22
AE	11	50	− 8	Unilever	10	730	+10
Burton Grp.	11	338	+16	Racal Elect.	9	230	+ 9
RTZ	11	655	—	Sunlight Serv.	9	225	+13

Sheffield Photo

Peter Seaman, and Tony Richmond, partners in Peat, Marwick, Mitchell and Company, have been appointed joint receivers and managers of **Sheffield Photo Company**, Cherrytree Laboratories and three other companies in the Sheffield group.

The joint receivers intend to continue to trade on a going-concern basis.

David Sassoon

The Chancellor of the Exchequer has agreed to an application that **David Sassoon and Company** withdraws its appeal against the **Bank of England's** decision to revoke its conditional licence.

The appeal was brought against a decision to revoke its conditional licence to carry on a deposit taking business.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Aaronite Group	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Assoc. Telecom.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Biomechanics	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	DPCE Hldgs	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Dollonds Photo	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gent (S.R.) 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gilbert House	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Henderson Admin.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Int. Signal & Control A	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Ivory & Sime	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Invent Energy	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	KLP Group	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metal Sciences	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Park Food 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Peel Hldgs	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Penol Assets	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Promotions House	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rayford Supreme	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Real Time Control	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	SCUSA Inc.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sthn. Bus. Lsng.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sunleigh Elect. 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Tech. for Bus. 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Thermal Scientific	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Yorks & Lancs Inv. Ws.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Allied-Lyons 11¼% Deb 2009	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Atlantic Metr. (UK) 12% UL 91/97	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol 11¾% Red. 2008	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	C.C.C. Economic 12¼% Gtd. Ln. 2015	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cigna Overseas Finance 12¼% Ln. 2005	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BFKI 7% Red Cnv Pref	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fleming Am. Inv Tst 7% Cnv Uns Ln 99	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fuller, Smith & Turner 8% 2nd Cm. Prf.	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LASMO 8¼% Cnv Red. 2010	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide 11¼% Bds 30/8/84	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 11¼% Bds 3/9/84	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Oldham 11¼% Red. 2008	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Trafford Park Est. 11¼% 2007/11	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Transport Dev. 12¼% Uns Ln 2000	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Westland 12¼% Deb 2008	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yorks & Lancs Inv 13¾% Deb 2003	[illegible]	

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
63	F.P.	[illegible]	[illegible]	[illegible]	Brengreen 10p	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bridgend Prop. "A" Ord. 1p	[illegible]	
48	[illegible]	[illegible]	[illegible]	[illegible]	Cambrian & Gen. Sec.	[illegible]	
65	[illegible]	[illegible]	[illegible]	[illegible]	Cap. [illegible]	[illegible]	
48	[illegible]	[illegible]	[illegible]	[illegible]	Chamberlain Phipps 10p	[illegible]	
25	[illegible]	[illegible]	[illegible]	[illegible]	Crowther (J.)	[illegible]	
34	[illegible]	[illegible]	[illegible]	[illegible]	First National Inv.	[illegible]	
78	[illegible]	[illegible]	[illegible]	[illegible]	Fleet Holdings 20p	[illegible]	
82	[illegible]	[illegible]	[illegible]	[illegible]	Floyd Oil 10p	[illegible]	
40	[illegible]	[illegible]	[illegible]	[illegible]	Group Lotus Car 10p	[illegible]	
R3.80	[illegible]	[illegible]	[illegible]	[illegible]	Imperial Cold Storage	[illegible]	
50	[illegible]	[illegible]	[illegible]	[illegible]	Jacks (Wm.) 10p	[illegible]	
350	[illegible]	[illegible]	[illegible]	[illegible]	Midland Bank £1	[illegible]	
80	[illegible]	[illegible]	[illegible]	[illegible]	Nesco Invs.	[illegible]	
20p	[illegible]	[illegible]	[illegible]	[illegible]	Parkdale 10p	[illegible]	
10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
95	[illegible]	[illegible]	[illegible]	[illegible]	Sheraton Secs. 10p	[illegible]	
310	[illegible]	[illegible]	[illegible]	[illegible]	Steinberg 10p	[illegible]	
175	[illegible]	[illegible]	[illegible]	[illegible]	Unitech 10p	[illegible]	
100	[illegible]	[illegible]	[illegible]	[illegible]	United Parcels 10p	[illegible]	
180	[illegible]	[illegible]	[illegible]	[illegible]	Webber Electro 12½p	[illegible]	
$US1.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Weeks (B'muda) 10cts	[illegible]	
$US1.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Aust. 10cts.	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. [illegible]

هكذا في الأصل

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	113.5	119.5	-0.1	—
Do. Initial	110.5	116.4	—	—
Man. Pens. Accum.	238.5	251.1	—	—
Do. Initial	197.9	208.4	—	—
Gilt-Edg.Pens. Accum.	203.3	214.1	—	—
Do. Initial	162.4	171.0	—	—
Money Pens. Accum.	184.9	194.7	—	—
Do. Initial	149.7	157.6	—	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	231.39		—	—
Managed Inv. Fd.	156.88	165.14	—	—
Property Fd.	150.30	158.22	—	—
Fixed Interest Fd.	141.61	149.07	—	—
Cash Fd.	135.42	142.55	—	—
Income Fd.	172.51	181.59	—	—
Extra Income Fd.	162.92	171.50	—	—
Worldwide Growth Fd.	229.60	241.69	—	—
Balanced Fd.	173.22	182.34	—	—
Spir Co's & Recv. Fd	207.34	218.26	—	—
Int. Technology Fd	261.70	275.48	—	—
Nth. Amer. & Gen. Fd.	164.70	173.37	—	—
Energy Int. Fd.	107.92	113.60	—	—
Pacific Basin Fund	125.75	132.37	—	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	108.3	114.0	+1.3	—
Property	106.2	111.8	+0.7	—
Equity	95.8	100.8	-0.1	—
International	126.9	133.6	+2.7	—
Fixed Interest	98.5	103.7	+1.1	—
Deposit	98.7	103.8	—	—
Managed Pen. Cap.	109.4	115.2	+1.6	—
Property Pens. Cap.	105.6	111.2	+0.9	—
Equity Pens. Cap.	92.3	97.1	-0.3	—
Intnl. Pens. Cap.	133.2	140.2	+3.9	—
Fixed Int. Pens. Cap.	96.8	101.9	+0.9	—
Deposit Pens. Cap.	97.0	102.1	—	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Aug 30		96.2	—	—
Rmt. Fed. Aug 6		255.4	—	—
Managed Pen Fund	175.5	184.7	—	—
Property Pen Fund	113.8	119.8	—	—
Index Lnkd Pen Fund	110.5	116.3	—	—
Managed	119.4	125.7	-0.3	—
Property	102.1	107.5	—	—
Gilt and Fixed Interest	102.9	108.3	-0.3	—
Index-Linked	96.7	101.8	-0.3	—
Equity	118.5	124.8	—	—
Cash	103.3	108.7	—	—
Midland Bk. Unit Tst.	117.4	123.6	-0.1	—
Midland Bank Intnl.	141.8	149.3	-0.2	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£38.48	—	-0.09	—
Property Units	£17.09	—	-0.01	—
Equity Bond/Exec	£25.01	26.47	-0.02	—
Prop. Bond/Exec	£22.33	23.63	-0.01	—
Bal. Bd./Exec/Unit	£23.36	24.72	—	—
2nd Equity Acc.	195.1	206.5	-0.2	—
2nd High Inc/Acc.	147.5	156.1	-0.3	—
2nd Property Acc.	170.7	180.6	-0.1	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	117.3	124.0	-0.3	—
GT Pln High Yld Fnd.	118.3	125.2	+0.7	—
GT Plan Far East Fnd	113.5	119.5	+0.2	—
GT Pln N Am Fund	145.9	153.6	+1.9	—
GT Pln UK&G.E. Fnd	134.9	142.1	+1.0	—
GT Pln Wrldwde Fnd.	136.9	144.2	+1.9	—
GT Pension Bnd Fnd.	127.0	133.7	-0.4	—
GT Pen High Yld Fd	135.9	143.1	+0.9	—
GT Pen Far East Fd	138.0	145.3	+0.2	—
GT Pen N. Am. Fd.	213.9	225.2	+3.0	—
GT Pen UK & G.E. Fd.	156.9	165.2	+1.2	—
GT Pen Worldwide Fd.	146.5	154.3	+2.1	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond	164.2	172.9	—	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		247.1	—	—
Portfolio Fd. Init.		205.4	—	—
Portfolio Fd. Cap.		236.6	—	—
Investment A nits	247.0	260.1	—	—

Growth & Sec. Life Ass. Soc. Ltd.
4B, London Fruit Exchange, E1 6EU 01-377 1132

Flexible Finance		1,153	—	—
Landbank Secs.		65.87	—	—
Landbank Sec. Acc.	183.7	188.5	—	—
G. & S. Super Fd.		£11.2814	—	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	302.8	315.3	—	—

GRE Linked Assurance Limited

Managed Initial	208.5	219.5	+0.7	—
Do. Accum.	230.9	243.1	+0.8	—
Equity Initial	263.7	277.5	+0.2	—
Do. Accum.	292.0	307.3	+0.2	—
Fixed Int. Initial	188.5	198.5	+0.4	—
Do. Accum.	209.8	220.8	+0.4	—
International Initial	216.3	227.7	+0.7	—
Do. Accum.	239.6	252.2	+0.8	—
North American Initial	101.2	106.6	+0.5	—
Do Accum	102.0	107.4	+0.5	—
Index-Linked Gilt Init.	91.9	96.8	+0.2	—
Do Accum	92.6	97.5	+0.2	—
Property Initial	124.3	130.9	—	—
Do Accum	137.6	144.9	—	—
Deposit Initial	122.2	128.6	—	—
Do. Accum.	135.3	142.4	—	—

GRE Pensions Management Ltd.

Pens. Managed Initial	204.9	215.6	+0.9	—
Pens. Managed Acc.	221.8	233.4	+1.0	—
Pens. Equity Initial	260.4	274.1	+0.9	—
Pens. Equity Acc.	281.9	296.7	+0.9	—
Pens. Fxd. Int. Initial	190.2	200.2	+0.4	—
Pens. Fixed Int. Acc.	205.9	216.7	+0.4	—
Pens. Int'l Initial	196.1	206.4	+0.5	—
Pens. Int'l. Acc.	212.3	223.4	+0.5	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	64.8	68.7	—	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Sept 1	61.3	66.1	—	—
MM Flexible Sept 1	52.6	55.4	—	—
Fixed Interest Sept 1	54.7	57.7	—	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		287.8	—	—
Property Fund (A)		280.0	—	—
Agricultural Fund		1,106.0	—	—
Agric. Fund (A)		1,077.2	—	—
Abbey Nat. Fund		228.4	—	—
Abbey Nat. Fd. (A)		227.5	—	—
Investment Fund		138.4	—	—
Investment Fund (A)		136.8	—	—
Equity Fund		418.5	+0.5	—
Equity Fund (A)		418.5	+0.5	—
Money Fund		214.7	+0.4	—
Money Fund (A)		210.8	+0.4	—
Actuarial Fund		227.1	—	—
Gilt-edged Fund		185.6	—	—
Gilt-Edged Fd. (A)		186.6	—	—
Retire Annuity		362.0	—	—
Immed. Ann'ty		193.0	—	—
International Fd.		274.5	+2.5	—
Bldg. Soc. Life Fd.		103.8	—	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Series (1) These are bid prices for earlier policies.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

Bridge Management Ltd.
GPO Box 590, Hong Kong

Britannia Intl. Investment Mngmt. Ltd.

OFFSHORE AND OVERSEAS

NOTES

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102¾	100½	Exch. 13½pc '83	100½	......	13.42	9.61
100⅟₁₆	98⅟₁₆	Exch. 10pc 1983	100	−¼	9.98	9.08
99	96¼	Funding 5½pc '82-84‡‡	99	......	5.56	8.36
101¼	99½	Exch. 11¼pc 1984	100¼	......	11.17	9.31
104⅜	102⅛	Exchequer 14pc 1984	102⅟₁₆	+⅟₁₆	13.67	10.37
95⅝	92½	Exch. 3pc 1984	95⅛	......	3.15	9.66
102¾	100⅟₁₆	Treasury 12pc 1984	101⅟₁₆xd	+⅟₁₆	11.80	10.15
107⅟₁₆	104⅟₁₆	Treasury 15pc 1985	105⅝	......	14.20	10.24
107	101⅟₁₆	Exch. 12pc Cnv. '85	102⅟₁₆xd	......	11.73	10.63
91⅝	88⅝	Treasury 3pc 1985	91½	−⅛	3.28	8.48
102⅟₁₆	99⅞	Treasury 11½pc 1985	101⅛	+⅛	11.38	10.75
102	95	Treas 8¾pcCnv '85	97½	......	8.97	10.16
103⅝	100⅛	Exch. 12¼pc 1985	102¼	+⅛	11.99	11.08
102⅟₁₆	99⅟₁₆	Exch. 11¼pc '86	101¼	+⅛	11.62	11.13
41⅟₁₆	40	Tr. 10pc Cnv'86 (£40pd).	41⅟₁₆	+⅟₁₆	10.14	10.57
88½	85⅝	Treasury 3pc 1986	86¾	−⅛	3.45	8.51
101⅟₁₆	97⅟₁₆	Exch. 10½pc Cv '86	98½	......	10.66	11.13
103⅟₁₆	100⅟₁₆	Treasury 12pc '86	103½	+⅛	11.63	11.30
94⅞	94⅜	Treasury 8½pc '84-86‡‡	94⅞	......	8.96	10.61
114	103¼	Treas. 12¼pc '86 Cnv.	106¼	......	11.53	9.64
109⅟₁₆	105⅟₁₆	Exch. 14pc 1986	106⅟₁₆	+⅟₁₆	13.28	11.56
107⅟₁₆	103⅝	Exch. 13¼pc 1987	104⅝	+⅟₁₆	12.70	11.61
97¾	95⅞	Tr 10¼pc Cv '87	97⅟₁₆	+⅛	10.54	11.23
84⅟₁₆	80¼	Exchequer 2½pc 1987	81⅟₁₆	......	3.71	8.91
100⅟₁₆	95⅞	Exch. 10½pc 1987	97⅟₁₆xd	+⅟₁₆	10.80	11.47
93¼	88⅛	Funding 6½pc '85-87‡‡	88¼	......	7.36	10.42
86	80¼	Treasury 3pc 1987	81½	−⅛	3.69	8.36
104⅝	99⅝	Treas 12pc 1987	100¾	+⅟₁₆	11.92	11.75
93¼	89⅜	Treasury 7¾pc '85-88‡‡	89⅝	......	8.64	10.75
101½	95½	Exch 10½pc '88	96⅟₁₆	+⅟₁₆	10.91	11.53
81½	75¾	Transport 3pc '78-88	77⅝	+⅛	3.82	8.92

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
96½	90¾	Treas. 9½pc '88	95¼	+⅛	10.37	11.71
94¾	91⅞	Treas 9½pc '88 'A'	93¼	+⅛	10.36	11.68
104⅝	95⅝	Treasury 11½pc 1989	99⅝xd	+⅛	11.65	11.81
97⅞	94¼	Treas 10½pc 1989	97⅝	......	11.16	11.88
83¼	76	Treasury 5pc '86-89	76¼xd	+⅛	6.52	10.24
112½	103	Treasury 13pc 1990‡‡	107½	+⅛	12.36	11.79
108¾	100⅞	Exch. 12½pc 1990	102¾xd	+⅛	12.13	11.81
92	86¼	Treasury 8¼pc '87-90‡‡	88½	+⅛	9.54	11.13
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
Public Board and Ind.						
77½	71¾	Agric. Mt. 5pc '59-89	73xd	......	6.94	11.73
35½	31¼	Met. Wtr. 3pc 'B'	34½	......	8.44	11.06
Financial						
102½	101	Inv in Ind 14pc 1983	101	......	13.86	10.06
96	92	Do 6¼pcDb '81-84	95¾xd	......	6.53	10.20
106½	96¼	Do. 10¾pc Uns.Ln. '86	98	......	10.94	12.50
104	96½	Do. 11pc Uns.Ln. '88	98½	......	11.41	12.10
104½	97½	Do. 11¾pc Uns.Ln. '90	100½	......	11.94	12.10
106½	91½	Do. 12½pc Un. Ln. 1992	100¾xd	......	12.41	12.35
78¾	74½	Do. 7¼pc A Deb '89-92	76½	......	9.75	11.90
77½	70½	Do. 7¼pcADeb. '91-94	73½xd	......	9.86	11.55
87⅛	80½	Do. 9pc 'A' '91-94	82xd	......	10.98	12.00
86	72⅞	Do. 8⅞pcLn. '92-97	81½	......	11.05	11.65
Building Societies						
100⅜	99⅛	N'wide 11¾pc 3.10.83	100	......	—	—
99¾	98	Do. 9⅟₁₆pc 31.10.83	99¾	......	9.96	11.16
99¾	98	Do. 9⅞pc 28.11.83	99¾xd	......	9.90	10.53
100½	99⅜	Do. 11¼pc 19.12.83	100¼xd	......	11.24	10.46
100⅞	99	Do. 11⅞pc 23.1.84	100½	......	11.82	10.20
100⅞	100	Do. 11⅞pc 13.2.84	100½	......	11.82	10.53
100⅝	99	Do. 11¼pc 19.3.84	100⅝xd	......	11.18	10.12
100⅝	99⅜	Do. 11¼pc 9.4.84	100½xd	......	11.19	10.41
100¼	99½	Do 10⅟₁₆% 30/4/84	99¾	......	10.71	11.13
100⅜	99⅛	Do 10⅞% 29/5/84	99⅞	......	10.89	11.08
100⅟₁₆	99½	Do. 10⅞pc 18.6.84	99¾	......	10.90	10.67
100	99½	Do. 10⅟₁₆pc 9.7.84	99¾	......	10.59	10.98
100¼	99¾	Do. 10⅞pc 30.7.84	100⅛	......	10.86	10.75

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
13	8	Chinese 4½pc 1898	13	......	—	—
11	10	Do. 5pc 1912	10	......	—	—
11	8	Do. 5pc 1913	8½	......	—	—
8	5½	Do. 5pc '25 Boxer	7½	......	—	—
47	40	Greek 7pc Ass.	46xd	......	3½	†7.81
45	41	Do. 6pc 28 Stb. Ass.	44	......	3	†6.87
44	38	Do 4pc Mixed Ass.	42	......	2	†4.81
34	27	Hung. '24 Ass.	29	......	2¼	†9.80
120	102½	Hydro Quebec 15pc Ln 2011	117½xd	......	15	13.79
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصله الأصل

هكذا عن الأصل

INDUSTRIALS—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—continued

Central African

Australians

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
170	85	Admiral Mines	85	......	—	—	—
90	54	♥Anglo-Dominion	72	......	—	—	—
93	54	♥Anglo Utd. Dev.	75	−4	—	—	—
169	60	♥Colby Res Corp.	160	......	—	—	—
525	315	Cons. Murch. 10c.	520	−5	‡060c	1.9	‡
240	170	Hampton Areas 10p	225	+1	3.75	2.1	2.2
195	103	♥Highwood Res	195	+5	—	—	—
£29½	£15	Homestake Mining $1	£23⅞	−⅛	hQ20c	—	0.6
495	330	Northgate C$1	410	+15	—	—	—
672	427	R.T.Z.	652	−3	t17.0	1.9	3.7
£147½	£108	Do.9¾%Cv.Uns.Ln.'95-2000	£144	......	Q9½%	21.4	F6.7
190	13	♥Sabina Inds C$1	120	−5	—	—	—
		For Southwest Res see Oil & Gas					
710	312	♥Tara Exptn $1	700	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ϕ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Nat. 9¾% 84/89	£86¾	......
			Fin. 13% 97/02	£95	......
Albany Inv. 20p	63	......	Alliance Gas	88	−2
Bdg'wtr. Est. 50p	275	......	Arnott	203	−2
Craig & Rose £1	£101½	......	Carroll (P.J.)	111	......
Finlay Pkg. 5p	32	......	Concrete Prods.	72xd	......
Graig Ship. £1	21½	......	Heiton (Hldgs.)	16	......
Higsons Brew	88	−2	Irish Ropes	32	......
Holt (Jos) 25p	910	......	Jacob	81	......
I.O.M. Stm. £1	147	......	T.M.G.	68	......
Pearce (C. H.)	500	......	Unidare	72	......

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	26	Utd. Drapery	14
Allied-Lyons	15	I.C.I.	45	Vickers	12
BOC Grp.	22	"Imps"	11	Woolworth Hld.	30
B.S.R.	20	I.C.L.	8½		
Babcock	18	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	32	Lex Service	36	Cap. Counties	15
Blue Circle	40	Lloyds Bank	43	Land Sec.	30
Boots	20	"Lofs"	3½	MEPC	22
Bowaters	24	London Brick	10	Peachey	16
Brit. Aerospace	19	Lucas Inds.	18	Samuel Props.	12
B.A.T.	14	"Mams"	12	Town & City	5
Brown (J.)	4	Mrks. & Spncr.	20		
Burton Ord.	35	Midland Bank	40	**Oils**	
Cadbury's	11	N.E.I.	10	Brit. Petroleum	40
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	19
Debenhams	14	P & O Dfd.	21	Charterhall	8
Distillers	22	Plessey	16	KCA	7
Dunlop	6	Racal Elect.	45	Premier	6½
Eagle Star	45	R.H.M.	7	Shell	35
F.N.F.C.	6	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	45	Reed Intnl.	32	Ultramar	68
Gen. Electric	23	Sears	8½		
Glaxo	75	T.I.	16	**Mines**	
Grand Met.	32	Tesco	16		
G.U.S. 'A'	50	Thorn EMI	55	Charter Cons.	30
Guardian	50	Trusthouse	18	Cons. Gold	60
G.K.N.	18	Turner & Newall	7	Lonrho	10
Hawker Sidd.	32	Unilever	70	Rio T. Zinc	65

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday September 10 1983

MAN IN THE NEWS

TUC's man for the job

BY JOHN LLOYD

THIS HAS been Len Murray's tenth year as the TUC's General Secretary, and it has been both its worst and his best.

Worst, because the TUC has sunk to its lowest point since the war, of effectiveness in purchase over the Government. Both the Prime Minister and Mr Norman Tebbit, the Employment Secretary have appeared to succeed in their aims of reducing the influence of the TUC: campaigns against the Government's legislation and against mounting unemployment have failed, and the TUC's decision, at its 1982 Wembley conference, to break off relations with the Government have rapidly appeared more futile than momentous.

The June 9 electoral debacle carved the fact in granite: the labour movement has lost not only the initiative but also the argument about the issues and priorities on a public agenda over which it appeared to have no say.

It would be a mistake to read this, as it has been read, as Murray leading the swing to the centre right.

His beliefs are, in sum, that a modern industrial society must see a dialogue, a consensus if possible, between the social partners—government, capital

and labour; that the TUC can best expand its power by extending its hegemony or making its influence felt over more and more areas of economic and social life; and—a theme more in evidence recently—that the TUC must be representative of its affiliated unions and they of their members so that where it does push for an issue, it knows it is not doing so in a public void with the support only of relatively few activists.

Insistently, Murray has returned to that theme. His actions suggest that he believes that it is here where much internal work remains to be done.

This was the situation which faced Murray on June 10. A man of 61 whose health has been fragile, whose nature is reserved and reflective, whose public performances are often defensive and creaking, whose preferred posture is that of the efficient administrator, he faced both an internal and external battle possibly without parallel in contemporary British public life.

It may be that he can never succeed. The task the TUC faces in accepting, defining and managing a relationship with the Thatcher Government as well as conducting a radical review of its structure, relations with unions and even policies is not for one man to determine and is not the work of one Congress.

But it has been Murray's best year because he has surprised all and delighted some with the firm grip he has shown on Congress and on the changes it has ushered in. He has been logical (as ever), but also passionate, aggressive and pointed as never before.

With approaching 40 years of service to the TUC, he is the man for that. After a scholarship to New College, Oxford and army service during the war Murray joined the TUC's research department in 1947, became head of the economic department in the late sixties and took the Deputy General Secretary's position to Vic Feather in 1973. Married with four children, a devout Christian, he closely protects his private life, showing a livid anger only when the Press intruded on a family holiday in Madeira.

He became a national figure in 1974-79 when trade union power reached its apogee and when Murray operated in tandem with the dominant figure of Jack Jones and the support of Hugh (now Lord) Scanlon. He fought hard with these barons at times but has missed them in the intervening period: he has struggled to keep an often divided General Council on an even keel

Soviet 'change' on missiles

BY PAUL BETTS AND DAVID WHITE IN MADRID

THE SOVIET UNION appears to be considering a change in its stance on including British and French nuclear arsenals in the negotiations about medium-range missiles in Europe. Herr Hans-Dietrich Genscher, the West German Foreign Minister, revealed the possibility in Madrid yesterday.

Soviet insistence on counting such weapons among the total of nuclear missiles in Europe has been one of the crucial obstacles in the negotiations that resumed in Geneva on Tuesday.

Herr Genscher told a news conference at the European security meeting in Madrid that Mr Andrei Gromyko, the Soviet Foreign Minister, had told him that the Kremlin has come to consider the British and French nuclear forces both as strategic and intermediate weapons.

The West German Minister described this as "a remarkable statement—remarkable in a positive sense."

Such strategic weapons as the land-based U.S. Minuteman and the sea-launched British Polaris are deemed by western powers to be inter-continental ballistic missiles and part of a particular country's ultimate deterrent. The intermediate-range weapons being discussed at Geneva are aimed mainly at military targets and are designed to fill a gap between tactical battlefield armaments and the extreme deterrent.

The Soviet Union has maintained that any nuclear weapon able to strike its territory when fired by an adversary, is strategic.

The Kremlin had been arguing that the French and British independent deterrents provide a counterweight to its SS-20 missiles and that therefore Nato does not need to deploy any new U.S. medium-range missiles in Europe.

It was not clear yesterday whether Mr Gromyko meant that the French and British systems should no longer be regarded as equivalent to the Soviet SS-20s. His remarks appeared to suggest, however, that the British and French deterrents could be subjects of either the medium-range missile negotiations or the parallel strategic arms reduction talks (Start) by the U.S. and the Soviet Union.

Herr Genscher said that the ambivalent new Soviet position gave the Kremlin the opportunity either to continue to insist on the British and French missiles being a topic at Geneva, or to seek to discuss them in another forum.

If the Soviet Union were to decide on the latter alternative, the minister said, that would be a breakthrough and might clear the way for an agreement at Geneva. "We shall have to wait and see."

Mr Gromyko, who had extensive bilateral contacts with western ministers during the meeting this week, had said in his public address on Wednesday that Moscow believed it was "still possible to reach agreement on limitations of nuclear weapons in Europe."

The shooting-down of the Korean airliner by the Soviet Union last week had poisoned the atmosphere, according to Herr Genscher, and had "made it necessary for the Soviet Union to re-establish on its own initiative the confidence that existed before." He emphasised, however, that negotiations on arms control and disarmament "are a necessity in themselves."

Mr George Shultz, the U.S. Secretary of State, again warned yesterday that, if no agreement on intermediate-range weapons were reached by the end of this year, Nato would start deployment of such U.S. missiles in Europe. "But we are willing to keep on trying to reach agreement

Herr Genscher outlined the shifts in the Soviet approach to the British and French nuclear arsenals. In 1980, during his visit to Moscow, the Soviet leadership had "agreed with us that they were strategic arms," he said. The Kremlin had been arguing recently, though, that they should be treated as medium-range weapons. "Now we are entering a third phase, with the Soviet Union saying these weapons are both strategic and medium-range," he said.

● In Washington, the White House reserved judgment last night on the Minister's remarks.

Government borrowing rate slows

BY ROBIN PAULEY

GOVERNMENT BORROWING is still running ahead of target but the rapid expansion in the early part of the financial year is moderating. The slower pace follows the emergency tightening of public spending targets by the Chancellor of the Exchequer in July.

Treasury figures issued yesterday show that the Central Government Borrowing Requirement (CGBR) in August was £1.303bn. This took the cumulative total for the five months since April to £7.689bn against £5.288bn in the comparable period last year.

The CGBR still appears likely to overshoot its target for 1983-84 but not by an alarming amount. Continued heavy borrowing by local authorities from central government through the National Loans Fund, rather than from the market, is largely responsible.

Between April and July, local authorities borrowed £1.65bn from the NLF compared with a budget forecast of £2bn for the financial year. By the end of August the figure had risen only to £1.663bn as the rate of council borrowing dropped sharply.

While the move into government sources of borrowing by councils has inflated the CGBR, the effect on the public sector borrowing requirement (PSBR) has been neutral. Brokers Phillips and Drew, for example, were last night maintaining their forecast of a 1983-84 PSBR broadly in line with the budget forecast of £8.5bn.

CENTRAL GOVERNMENT BORROWING REQUIREMENT

	£m
April	1,192
May	1,717
June	2,547
July	930
August	1,303

Yesterday's figures in the key supply services section, under which comes the main departmental spending, show spending of £6.38bn in August compared with £6.49bn a year earlier. The figure took the cumulative total since April to £33.75bn.

The represents an annual rate of growth of about 8 per cent—a marked slowdown from the 11 per cent year-on-year growth in the first four months of this financial year and from the 16 per cent in July which prompted the Chancellor's emergency £600m cut from this year's public spending.

Treasury officials feel that the 8 per cent rate is probably closer to the underlying growth rate, although this is still well in excess of the target of 5.4 per cent for the fiscal year.

Williams, Rodgers may seek Euro-seats

BY PETER RIDDELL, POLITICAL EDITOR

MRS SHIRLEY WILLIAMS and Mr Bill Rodgers of the Social Democratic Party may attempt to start comebacks to active political life by standing in the European Assembly elections next June. Both lost seats in the Westminster parliament three months ago.

Neither Mrs Williams nor Mr Rodgers has yet made a final decision but both are considering seats in which they might stand.

Their view, shared by SDP colleagues and Liberal Party leaders, is that the assembly elections are likely to provide the first major opportunity for the Alliance to show whether it can maintain the momentum generated in the general election last June to challenge Labour as the main alternative to the Conservatives.

SDP and Liberal leaders hope that as a pro-European grouping their supporters may be more highly motivated and may turn out on a larger scale than Labour voters.

They also hope the Conservatives may suffer the usual anti-Government swing during a parliament. Alliance leaders argue that on these assumptions they could be within 10 per cent of winning a dozen out of the 79 European Assembly seats in Britain.

They also argue that by-elections are likely to be infrequent in the first two years of a new House of Commons so the European Assembly elections will offer the best chance of a nationwide campaign, especially if well-known figures like Mrs Williams and Mr Rodgers are involved.

Circumstances have changed since the SDP's heyday in 1981 when its leaders could pick and choose between by-election contests. Candidates are in place, and likely to remain, in the most attractive seats and will be difficult to dislodge.

Mrs Williams is reluctant to risk a contest in a Westminster seat which she might fail to hold at a subsequent general election after her experience in winning and later losing Crosby.

Mr Rodgers's decision will depend partly on his general attitude to politics over the winter and on what type of job he has by the time of the assembly election.

Mugabe defends re-arrest

BY OUR DUBLIN AND HARARE CORRESPONDENTS

MR ROBERT MUGABE, the Prime Minister of Zimbabwe, yesterday defended his government's decision to continue to detain four white air force officers who were acquitted on charges of sabotage.

Zimbabwe earlier yesterday decided to deport two of six air-force officers, all of whom had been cleared last week of involvement in a sabotage attack last July at Thornhill Air Base. The six had been immediately re-detained under the Zimbabwe Emergency Law.

Speaking in Dublin on the first stop of a three-nation tour that will include the U.S. and Canada, Mr Mugabe said that any of the officers believed by his government to have been involved in sabotage would not be released for some time. Officials in Harare, however, said they expected the other four might be released next month.

He said the two who had been freed were thought to have been less involved, adding that Zimbabwe law allowed for detention on the basis of intelligence information which suggested that persons were a threat to national security.

All the officers were acquitted because the Harare High Court held that evidence had been obtained from them under torture and that this was inadmissible. Mr Mugabe criticised the law as "a stupid ass" and a relic of Zimbabwe's

Mugabe: why is there so much fuss?

colonial past.

He maintained that evidence should be treated on its merits. The question of torture was a separate issue and could be dealt with by taking a case against the police officers involved.

Mr Mugabe said there were many peopde in detention in Zimbabwe and asked why there was so much fuss over the officers.

"Is the concern because they are white and are Mrs Thatcher's kith and kin?" he asked.

Two of the officers detained have dual Irish-Zimbabwean nationality, but Mr Mugabe said the Irish premier had not pressed for their release. "Dr FitzGerald, unlike Mrs Thatcher, does not seek to interfere in the internal affairs of Zimbebwe," he said.

Mr Mugabe accused South Africa of trying to prevent Zimbabwe building up its military potential and said of the detained officers: "These men were party to UDI and revolted against the Queen."

Mr Mugabe said he did not discuss Northern Ireland with Dr FitzGerald, but revealed that the Irish Government had decided to accredit its ambassador in Kenya to Zimbabwe.

While there was relief among businessmen in Harare at the release of some of the airmen, there was also criticism of the fact that people who had been acquitted were being deported.

The two are to be deported under the terms of 1980 regulations that entitle the President to deprive a Zimbabwean citizen of his right to live in the country.

The two released officers are due to arrive in London today. They are Air Vice-Marshal Hugh Slatter and Air Commodore Phillip Pile, both of whom were freed yesterday on the conditions that they left Zimbabwe "forthwith."

Abbey quits cartel Continued from Page 1

banks indicated that they were pulling back from their own involvement in the mortgage market. The banks became heavily involved over the past two years but had reached their loan portfolio limits and were simultaneously not attracting a comparable amount of new deposits through the mortgage programmes. They have also had to turn increasingly to wholesale money markets to fund their mortgage business, and this can be a loss-making exercise.

The effects of the Abbey decision and outcome of the BSA review are unpredictable, but it is possible that in three months' time the BSA will recommend a relaxing of its own system of interest rate fixing. This would come as a result of conflict among the top few societies, spurred by Abbey, as to how best to proceed.

The BSA review study could serve another purpose, namely as a tool for ensuring the societies have a say in any legislation on building societies during the life of the current parliament.

The Government has intimated that there is likely to be new legislation and the BSA review of interest rates will form part of a study on the future constitution and powers of societies which is being prepared ahead of any such move.

Weather

UK TODAY

SHOWERS, bright intervals.

London, SE, E, central S and central N England, Midlands, Channel Isles
Rain, turning to showers with bright intervals later. Max 17C (63F).

SW, NW and NE England, Lake District, Wales, Isle of Man, Borders, Edinburgh, Dundee, Glasgow, and central Highlands
Showers, sunny intervals. Max 15C (59F).

Rest of Scotland, N Ireland, Orkney, Shetland
Showers, sunny intervals, cloudy near coasts. Max 14C (57F).

Outlook: unchanged to start, becoming dry.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	Luxmbg	C	17	63
Algiers	S	33	91	Madeira	C	25	77
Amsdm.	F	18	64	Madrid	S	32	90
Athens	F	27	81	Majorca	S	29	84
Bahrain		—	—	Malaga	S	28	79
Barclna.	S	27	81	Malta		—	—
Beirut		—	—	M'chstr	R	14	57
Belfast	C	14	57	Melbne.		—	—
Belgrd.	S	26	79	Mx. C.†		—	—
Berlin	C	18	64	Miami†	S	29	84
Biarritz	F	23	73	Milan	S	23	73
Bmghm	S	17	63	Montrl †	S	18	64
Blackpl.	F	16	61	Moscow		—	—
Bombay		—	—	Munich	F	21	70
Bordx.	C	21	70	Nairobi		—	—
Boulgn.	R	16	61	Naples	S	28	82
Bristol	R	16	61	Nassau		—	—
Brussels	C	15	59	Nwcstl	F	16	61
Budpst.	S	25	77	N Delhi		—	—
Cairo		—	—	N York†	S	18	64
Cardiff	R	15	59	Nice	S	26	79
Cape T.		—	—	Nicosia		—	—
Chicg †	S	21	70	Oporto		—	—
Cologne	C	20	68	Oslo	R	12	54
Cpnhgn.	F	14	57	Paris	C	19	66
Corfu	S	28	82	Peking		—	—
Dallas	S	21	70	Perth		—	—
Dublin	F	15	59	Prague	F	20	68
Dbrvnk.	S	24	75	Rykjvk.	S	8	46
Edinbgh.	C	15	59	Rhodes	S	29	84
Faro		—	—	Rio J'ot		—	—
Florence	F	27	81	Rome	S	28	82
Frankft.	R	17	63	Salzbrg.	F	28	79
Geneva	F	24	75	S'cisco†	S	13	55
Gibritr.		—	—	Singapr.		—	—
Gl'sg'w	C	16	61	S'tiagot		—	—
G'msey	R	14	57	Stckhlm	C	15	59
Helsinki	F	18	64	Strasbg	C	27	81
H Kong		—	—	Sydney		—	—
Innsbrk	R	22	72	Tangier		—	—
Invrnss.	R	11	52	Tel Aviv	S	29	84
I.o Man	F	16	61	Tenerife	S	28	82
Istanbul	S	24	75	Tokyo		—	—
Jersey	R	15	59	T'r'nto†	F	15	59
Jo'burg		—	—	Tunis	S	32	90
L. Plms.	S	26	79	Valencia	S	30	86
Lisbon	C	23	73	Venice		—	—
Locarno	C	18	64	Vienna	S	23	73
London	F	17	63	Warsaw	C	18	64
L. Ang†	F	20	68	Zurich	C	20	68

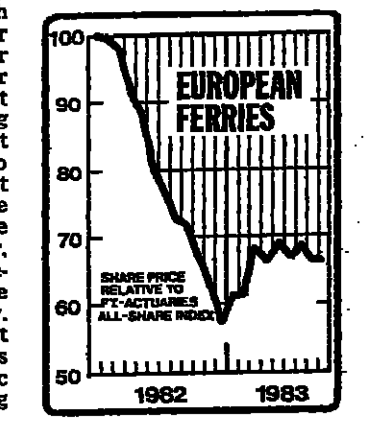
C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Denver boot for Euroferries

The absence of good news is enough, in the market's current frame of mind, to set equities back quite sharply. Yesterday the cautious line taken by both GEC and Thorn EMI at their annual meetings trimmed their share prices by about 5 per cent and the rest of the market sagged. Until the impending BP sale is out of their way, it will, in any event, be hard to persuade fund managers that their cash flow should be channelled into equites. The gilt-edged market, however, remained in good form; carefully left untapped by the Government Broker yesterday. It took some heart from a set of Government borrower figures which suggested that public expenditure might be coming back to earth.

Index fell 8.7 to 704.9



European Ferries

The untimely death in July of its entrepreneurial chairman, Mr Keith Wickenden, has cruelly reinforced the market's uncertainty about European Ferries. Its image as a lame glamour stock is still reflected in interim figures which, given the all importance of the second half for the ferries operations, can offer little clue to the group's likely performance over the whole year. But yesterday's figures, showing pre-tax profits of £8.9m against £5.0m, suggest another reason why the market remains cautious about the near term prospects in the absence of any major new business initiative.

The group has assigned a £2m profit to its UK property operations, but it is clear that increased working capital needs in this area lie behind a turnaround in the net interest item from a positive £½m last year to a negative £1½m in the latest six months.

At the same time, U.S. property portfolios in Atlanta and, more particularly, Denver have contributed a £2.3m loss. These factors together have offset a £3.2m profit in Houston and profits of perhaps £2.5m from Singer and Friedlander, to leave the group with a net £3.4m from banking and property. Such mixed fortunes in property only underline the capricious nature of its present contribution to the group, and stand in glaring contrast to results elsewhere.

These have stayed exactly flat in harbour operations and have been restrained by static volume with only limited price increases on the ferries. Against this dull background the desire to make itself less digestible in the eyes of any prospective bidder may add to the urgency of management's search for pastures new.

Telerate

Exco International was this week enabled to gain control of Telerate, the New York computerised information service, by acquiring 1m shares from 17 UK institutional investors whose holdings in the company sit in portfolios mnaged by Gartmore Investment Management Limited (GIML).

It is perhaps unfortunate that Exco should only last month have acquired a controlling stake in GIML. The consequence has been a transaction between Exco and GIML's clients in which GIML could conceivably have sat on either side of the table—a predicament neatly reflected by the fact that the GIML chairman is on the board of five of its trust clients as well as Exco and Telerate.

However properly conducted, it is not an arrangement readily imagined in the U.S. Exco and GIML would almost certainly have been defined there as parties to a joint transaction, prohibited by Federal law. The SEC can grant exemption in such circumstances. But there are usually ample reasons for it not to do so.

Exco offered a price of $20 per share. This represented only a small premium over the current market price, despite the premium importance to Exco of any additional Telerate equity, carrying control as it did. Certainly there were technical reasons to justify the limit on the premium, though these appear at least arguable. The point, however, is surely that any effort by the various UK institutions to negotiate together and push Exco to pay a higher price on behalf of their shareholders would most probably have demanded a co-ordinating role from someone. And the institution best suited to take on that role was GIML.

All GIML's clients were undoubtedly kept fully informed and given the option to decline the price, as six finally did—paying litle or no heed, it would seem, to a letter from brokers Rowe and Pitman to GIML deeming the price "fair and reasonable." Less highly scrupled management of such a situation, however, might have produced a less satisfactory outcome. If vertical integration within the City is to become more commonplace in the future, there will need to be more ground rules for such contingencies, even where, as in this case, GIML has performed properly.

Bingo

When Thorn took over EMI four years ago, EMI's chain of bingo halls must have ranked along with Blackpool Tower as one of the incoming assets most likely to be turned into cash. So it is rather surprising that it took until yesterday before Thorn Emi could strike a deal—eventually with Bass—to sell its Social Centres company for £18.2m. The deal seems to make a lot of sense for both parties.

Thorn EMI has extracted a useful sum from a business in which its management was not really interested, and can now spend the proceeds in hungry areas like cable-TV and the Rumbelows electrical retailing arm.

Bass, meanwhile, has filled a gap in its growing range of leisure operations, which already included bookmaking, holiday camps and a dog-track. Although bingo has the reputation of a declining industry, the clubs will be more use to Bass than to their former owner even if the Government does not come through with legislation to increase permitted levels of prize money and allow advertising.

Bass will have the chance to sell substantial amounts of its drinks through the clubs, and to place its amusement machines in the new outlets. At the purchase price, roughly six times an average year's earnings, the clubs should offer Bass an adequate return.

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